"Annexure B"

ANNUAL BUDGET OF

BUFFALO CITY METROPOLITAN MUNICIPALITY

2015/2016 TO 2017/18
FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET
29 MAY 2015

Table of Contents

LIST OF TABLES III

LIST OF FIGURES V

ABBREVIATIONS AND ACRONYMS VI

PART 1 – ANNUAL BUDGET 1

1.1 EXECUTIVE MAYOR'S REPORT 1
1.2 COUNCIL RESOLUTIONS 7
1.3 EXECUTIVE SUMMARY 10
1.4 OPERATING REVENUE FRAMEWORK 32
1.5 OPERATING EXPENDITURE FRAMEWORK 47
1.6 CAPITAL EXPENDITURE FRAMEWORK 52
1.7 ANNUAL BUDGET TABLES 56

PART 2 – SUPPORTING DOCUMENTATION 77

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS 77
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP 97
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS 111
2.4 OVERVIEW OF BUDGET-RELATED POLICIES 121
2.5 OVERVIEW OF BUDGET ASSUMPTIONS 125
2.6 OVERVIEW OF BUDGET FUNDING 134
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS 144
2.8 COUNCILLOR AND EMPLOYEE BENEFITS 147
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW 150
2.10 ANNUAL BUDGET AND SDBIP'S – INTERNAL DEPARTMENTS 153
2.11 ANNUAL BUDGET AND SDBIPS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS 153
2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS 153
2.13 CAPITAL EXPENDITURE DETAILS 153
2.14 LEGISLATION COMPLIANCE STATUS 164
2.15 CITY MANAGER'S QUALITY CERTIFICATE 172

ANNEXURES: 173

LIST OF TABLES

Table 1: Consolidated Overview of the 2015/16 MTREF Budget 18
Table 2: 2015/16 – 2017/18 Capital Budget Per Service 19
Table 3: Average Tariff increases for 2014/15 to 2017/18 21
Table 4: Community Priorities Per Region: 28
Table 5: Table A4 %age growth in revenue by main revenue source 32
Table 6: Table SA18 - Operating Transfers and Grant Receipts 35
Table 7: Comparison of proposed rates to be levied for the 2015/16 financial year 38
Table 8: Proposed Water Tariffs 40
Table 9: Comparison between current water charges and increases (Domestic) 40
Table 10: Comparison between current electricity charges and increases (Domestic) 42
Table 11: Comparison between current sanitation charges and increases, single dwelling- residence (per annum) 43
Table 12: Comparison between current refuse removal fees and increases 44
Table 13: SA14 – Household bills 46
Table 14: Table A4 - Summary of operating expenditure classification by type 47
Table 15: Basic social services package per indigent household 51
Table 16: Table A5 2015/16 Medium-term capital budget per vote, standard classification and funding 52
Table 17: List of Key Projects Per Service 53
Table 18: MBRR Table A1 – Budget Summary 57
Table 19: MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification) 60
Table 20: MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote) 62
Table 21: MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure) 63
Table 22: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source 66
Table 23: MBRR Table A6 - Budgeted Financial Position 68
Table 24: MBRR Table A7 - Budgeted Cash Flow Statement 70
Table 25: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation 72
Table 26: MBRR Table A9 – Asset Management 74
Table 27: MBRR Table A10 – Basic Service Delivery Measurement 76
Table 28: Key activities in the review of the 2015/16 IDP and MTREF Budget 79
Table 29: Proposed Schedule of IDP/Budget Road Shows 91
Table 30: IDP'S Six Strategic Objectives 97
Table 31: Alignment of BCMM Strategic Objectives with National and Provincial Priorities 98
Table 32: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue 102
Table 33: MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure 105
Table 34: MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure 108
Table 35: MBRR Table SA7 - Measurable performance objectives 111

Table 36: MBRR Table SA8 - Performance indicators and benchmarks 112
Table 37: Funding required to address issue of bulk water conveyance and treatment works..... 118
Table 38: Water Treatment Plants 120
Table 39: 2014/2015 to 2017/2018 Budget Assumptions..... 129
Table 40: Indigent Subsidy Package 129
Table 41: Proposed tariff increases over the medium-term..... 130
Table 42: Credit rating outlook 130
Table 43: Provision for Repairs & Maintenance..... 133
Table 44: Proposed tariff increases 2015/16 to 2017/18 134
Table 45: MBRR Table SA1S – Detail Investment Information 135
Table 46: MBRR Table SA16 – Investment particulars by maturity 135
Table 47: MBRR Table A5 - Sources of capital revenue over the MTREF 136
Table 48: MBRR Table SA17 - Details of borrowings..... 137
Table 49: MBRR Table SA 18 - Capital transfers and grant receipts..... 138
Table 50: MBRR Table A7 – Budgeted cash flow..... 139
Table 51: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation..... 140
Table 52: MBRR Table SA10 – Funding compliance measurement..... 141
Table 53: MBRR Table SA19 - Expenditure on transfers and grant programmes 144
Table 54: MBRR Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds.. 146
Table 55: MBRR Table SA22 - Summary of councillor and staff benefits 147
Table 56: MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)..... 148
Table 57: MBRR Table SA24 – summary of personnel numbers..... 149
Table 58: MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote) 150
Table 59: MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)..... 151
Table 60: MBRR Table SA30 - Budgeted monthly cash flow..... 152
Table 61: MBRR Table SA34a – Capital expenditure on new assets by asset class..... 154
Table 62: MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class.... 156
Table 63: MBRR Table SA34c – Repairs and maintenance expenditure by asset class..... 158
Table 64: MBRR Table SA35 – Future financial implications of the capital budget 160
Table 65: MBRR Table SA36 - Detailed capital budget per municipal vote 161
Table 66: MBRR Table SA37 – Projects delayed from the previous financial year 163
Table 67: MBRR Table SA1 – Supporting detail to budgeted financial performance..... 166
Table 68: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)..... 168
Table 69: MBRR Table SA3 – Supporting detail to Statement of Financial Position 169
Table 70: MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions..... 170
Table 71: MBRR Table SA32 – List of External Mechanism 171

LIST OF FIGURES

Figure 1: Cycle of Metro Growth and Development Strategy 10
Figure 2: Strategic Framework 11
Figure 3: 2014/15 – 2016/17 Capital Budget Per Service 20
Figure 4: Main Operating Revenue categories for the 2015/16 financial year 33
Figure 5: Main operational expenditure categories for the 2015/16 financial year 48

ABBREVIATIONS AND ACRONYMS

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative South Africa
BCMM	Buffalo City Metropolitan Municipality
BCDA	Buffalo City Development Agency
BSC	Budget Steering Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	City Manager
CoGTA	Cooperative Government & Traditional Affairs
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FMG	Finance Management Grant
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GFS	Government Financial Statistics
GRAP	Generally Recognized Accounting Practice
HR	Human Resources
HSDG	Human Settlement Development Grant
HSRC	Human Science Research Council
IDP	Integrated Development Plan
ELIDZ	East London Industrial Development Zone
INEP	Integrated National Electrification Programme
IT	Information Technology
kℓ	Kilolitre
Km	Kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	Kilowatt hour
ℓ	litre
LED	Local Economic Development
MBRR	Municipal Budgeting and Reporting Regulations
MDGS	Metro Growth and Development Strategy
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental Organisations
NKPIs	National Key Performance Indicators
OP	Operational Plan
PMS	Performance Management System
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
USDG	Urban Settlement Development Grant
WSA	Waster Services Authority
WSDP	Water Services Development Plan

PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

The global economic outlook has slowed down characterised by low economic growth in USA, Europe, China and other emerging economies. This has negative impact on developing countries including the African continent. According to National Treasury, South African economic growth is expected to be sluggish over the period growing from 2% in 2015 to 3% in 2017. Inadequate electricity supply is imposing a series of constraints on outputs and exports over the short term. The slow economic growth since 2012 has highlighted structural constraints in the domestic economy. Slow economic growth has increased pressure on public finances. Unemployment is showing an increasing trend in South Africa, especially in the mining and manufacturing sector. The current weaker rand has the following effect to the country's economy:

- Imported goods and commodities will be more expensive
- Pressure to increase interest rates
- Consumer spending power will be lower
- Export industries, for example mining will benefit as the product price will become competitive and cheaper

The South African fiscus is under extreme pressure as the country imports more than it exports, resulting, in a deficit balance of payment.

In response to the above challenges the Minister of Finance responded by putting the following key features of the budget framework for the period ahead as stated in his Medium Term Budget Policy Statement:

- A reduction in the main budget expenditure ceiling of about R25 billion over the next two years, compared with the 2014 Budget baseline,
- An increase in taxes amounting to R17 billion in 2015/16,
- Revised spending plans across the whole of government, aimed at greater efficiency, reduced waste and an improved composition of spending,
- A consolidation of government personnel numbers, and

- Financing of state-owned companies, where required, without raising national government's budget deficit.

The minister reaffirmed these budget features in his 2015 Budget Speech. He further stated that:

- Reductions in budget allocations have been targeted at non-critical activities.
- Cost containment and reprioritisation measures will limit growth in allocations for goods and services to 5 per cent a year.
- Spending on catering, entertainment and venues is budgeted to decline by 8 per cent a year, travel and subsistence will be cut back by 4 per cent a year, in real terms.

The Buffalo City Metropolitan Municipality is of the knowledge that it is not immune to the economic challenges that are experienced globally and by South African. Therefore, BCMM has had to take a more conservative approach in the manner in which it approaches this MTREF budget. This approach includes giving consideration in the budget to the cost containment measures suggested by National Treasury. These measures are being implemented in an attempt to ensure the future viability of the institution and to focus on reducing the negative impact on the residents within our boundaries.

It gives me great pleasure to announce that our total budget (operating and capital) for the MTREF period is growing from R7 billion in the 2015/16 financial year to R8.15 billion in the 2017/18 financial year of which consistently over R1 billion per annum has been allocated for infrastructure investment.

Our commitment to respond to our people's legitimate demand for a better life is reflected in a budget in which the **key priorities are water and sanitation, human settlements development** and related **critical infrastructure and maintenance**. In a continued effort to create jobs for the communities of Buffalo City and to encourage private sector investment the capital budget is being focused on a mix social and economic infrastructure investments. As part of its long term plan on human capital development, the city has allocated funding for internship programmes, especially in the areas of finance and engineering as well as the EPWP Programme. The City further continues to allocate funding for bursaries to its employees as well as communities of BCMM. This is in line with, and reflects our

commitment to the priorities of the National Development Plan, while of course reflecting our own Constitutional role as a local actor on the national stage.

In total, the budget for our **capital and operating projects** amounts to just **over R6.3 billion over the MTREF period** (2015/16: R1.9 billion, 2016/17: R2.1 billion and 2017/18: R2.3 billion.

The municipality has recognised the economic hardships currently being experienced by its inhabitants and in an attempt to relieve the growing poverty it has taken a decision to strive to keep its tariff increases at the most minimal feasible levels. This has resulted in the Metro reducing its tariff increases as compared to those that were approved by Council in the 2014/15 MTREF on Refuse (2015/16: reduced from 12.3% to 9.5% and 2016/17: reduced from 12.3% to 9.2%) and Sewerage (2015/16: reduced from 10.3% to 9.5% and 2016/17: slightly reduced from 10.3% to 9.2%). The proposed increase on Property Rates has also been reduced (2015/16: reduced from 11.3% to 9.9% and 2016/17: reduced from 11.3% to 9.6%). However, Water and Electricity losses remain a concern. For the Water Service, the tariff increases that was approved in the 2014/15 MTREF for 2015/16 has been reduced from 14.75% to 11.0%, for 2016/17 the increase has also been decreased from 14.75% to 10.70%. An increase of 10.50% is proposed for the 2017/18 financial year.

The City has followed the proposed NERSA increase of 12.2% for Electricity tariff however NERSA is considering Eskom's additional tariff increase application and the outcome would be known by end of June 2015. The City's electricity tariff would also need to be revised once NERSA has made the pronouncement.

The preparation of the General Valuation Roll as required by the Municipal Property Rates Act was undertaken and was implemented on 1 July 2014. Supplementary Valuations will be conducted yearly and it is anticipated that this will result in increased property rates revenue (2015/16: R9.5 million).

In a continued effort to ensure future financial viability of the city continuous review of the operational cost base is being undertaken in an attempt to identify inefficiencies. This has yielded positive results in that the institution has been able to move from a deficit budget to a surplus budget. The institution will continue focusing on the operational budget in the 2015/16 financial year in order to reduce further any inefficiency and thereby reduce the impact on Buffalo City Metropolitan Municipality inhabitants. The city strives to ensure the

tariffs are cost reflective of the services that have been provided. It is however important to mention the fact that the City's revenue base is not at the required levels due to high rural areas that are part of our Metro. This required us to come up with creative and innovative ways of ensuring efficiency in whatever activities we are undertaking. We shall continue to strive for equal service levels for all our communities in the Metro.

We have been mindful that inflation leads to more pain for the poor than any other group. I am happy therefore to propose that the **9% increase** of the basic welfare package for households that qualify in terms of our policy, which means that the indigents of Buffalo City will continue to have a **safety net of free basic services**, translating in the new year to a basket of services to the value of **R542.28 per household per month**.

In support of our local economy, the Directorate of Local Economic Development is running programmes in an effort to reduce unemployment and indigent rate in our Metro.

In the coming year our engineers will continue with the process of eradicating backlogs in **water supply infrastructure**. We will continue to meet our pressing **sanitation challenges** in informal settlements, as well as expanding the capacity of infrastructure **in Reeston, Quinera, and Mdantsane**.

Approximately 4900 houses are destined for Mdantsane and Reeston areas totalling R735 million over the next 5 years.

An amount of **R750 million** (2015/16: R265 million, 2016/17: R260 million and 2017/18: R225 million) has been set aside over the next three (3) years for the construction and refurbishment of roads and storm water infrastructure across the city. The city has also embarked on a process of procuring its own specialized vehicles for the maintenance and construction of rural roads.

Our Community Services Directorate is scheduled to spend an amount of **R238 million** in the forthcoming MTREF period of which R94 million that is from own funds will be spent in the 2015/16 financial year on a range of **public amenities** including community halls, sports facilities, parks and resorts.

Each year the city's cemeteries are being brought under increasing pressure as a result of the **elevated mortality rate** in Buffalo City. This requires our **Environmental Services Department** annually to identify potential new sites for **cemetery development** that meet the rigorous requirements of environmental legislation, while being close enough to our

settlements to be practically useful. An amount of R8 million for each year in the MTREF period has been provided for development and upgrading cemeteries in the Metro.

From the **health and public safety perspective**, installation of a **CCTV camera surveillance system** in various areas and buildings is underway and an amount of R12.5 million has been allocated for this purpose in the MTREF period. The City has allocated R35.4 million in the MTREF period towards fire engines, fire equipment and disaster management vehicles & equipment to ensure that we are able to swiftly respond to fire and disaster emergency calls. An amount of R18 million has been set aside in the MTREF period for the KWT Traffic Building. A further R9 million has been provided for Vehicle Test Station Upgrade and equipment over the MTREF period.

Transport Planning continues to be a focus area for the institution considering the higher traffic volumes on our roads. In order to ensure that we are alleviating congestion and protecting our inhabitants an amount of **R129 million** (2015/16: R30 million, 2016/17: R59.5 million and 2017/18: R39.5 million) has been allocated in the MTREF period for the implementation of integrated transport plan. This includes the establishment and refurbishment of the Taxi Ranks.

Electricity Trading Service has been allocated **R537 million over the MTREF period** (2015/16: R207 million, 2016/17: R190 million and 2017/18: R142 million) for **bulk infrastructure, electrification and upgrading of informal areas**. This includes the amount of R230 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF (2015/16: R90 million, 2016/17: R100 million and 2017/18: R40 million).

As the country is experiencing energy shortage, BCMM is investigating potential alternative sources of energy to ensure a more sustainable energy mix by 2030. The BCM State of Energy Report (2008) highlighted some issues and opportunities associated with sustainable energy in BCMM. These are outlined here below:-

- Energy not necessarily used efficiently or sustainably - Energy demand is increasing, the focus has been on increasing supply, rather than managing demand;
- Lack of incentive to use energy efficiently;
- There are a number renewable energy, energy efficiency and carbon trading opportunities in BCMM;

A number of sustainable energy initiatives have been planned for implementation by the municipality. Energy-efficient municipal operations provide a way to cut running costs while reducing negative impact on the natural capital.

As far as **wastewater treatment infrastructure** is concerned, a total of **R723 million over the MTREF period** to this trading service. This includes the amount of R216 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period.

Our **Water Services** benefit to a total of **R273 million over the MTREF period (R91 million each year)** to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply. This includes the amount of R120 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF.

The institution has reconstituted the Board of the Buffalo City Development Agency (BCDA) whose mandate is to transform the beachfront of Buffalo City Metropolitan Municipality. It is envisaged that the board will provide strategic direction regarding the future focus areas of the Buffalo City Development Agency in an attempt to grow the local economy through encouraging private sector investment. The board is currently in the process of appointing staff component that will be tasked with the daily operations of the agency.

The facts are compelling, BCMM, a City growing with you has a story to tell, I would like to believe, that this is a metro that is moving progressively towards being more productive, more sustainable, more responsive, more developmental and indeed more people-centred than we have been in the past.

1.2 COUNCIL RESOLUTIONS

On 29 May 2015 the Council of Buffalo City Metropolitan Municipality convenes to consider the 2015/16 Integrated Development Plan (IDP) Review, Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP). It is recommended that the Council approved and adopted the following resolutions:

1. The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 34 of the Municipal Systems Act, 32 of 2000 approves and adopts the revised 2015/16 Integrated Development Plan (IDP).

2. The Council of Buffalo City Metropolitan Municipality, acting in terms of DoRA, 2014 approves and adopts the 2015/16 Built Environment Performance Plan (BEPP).

3. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

   3.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
      3.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
      3.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
      3.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
      3.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.

   3.2. The financial position, cash flow budget, accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
      3.2.1. Budgeted Financial Position as contained in Table 23;
      3.2.2. Budgeted Cash Flows as contained in Table 24;

3.2.3. Reserves and accumulated surplus reconciliation as contained in Table 25;

3.2.4. Asset management as contained in Table 26; and

3.2.5. Basic service delivery measurement as contained in Table 27.

4. The Council of Buffalo City Metropolitan Municipality Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts effect from 1 July 2015:

4.1. the draft tariffs for property rates – as set out in Annexure E

4.2. the draft tariffs for electricity – as set out in Annexure E

4.3. the draft tariffs for the supply of water – as set out in Annexure E

4.4. the draft tariffs for sanitation services – as set out in Annexure E

4.5. the draft tariffs for solid waste services – as set out in Annexure E

4.6. miscellaneous draft tariffs as set out in Annexure E

5. The Buffalo City Metropolitan Municipality Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the draft tariffs for other services as set out in Annexure E.

6. To give proper effect to the municipality's draft annual budget, the Council of Buffalo City Metropolitan Municipality approves:

6.1. That an indigent subsidy be granted to registered indigents in terms of Council's Indigent Policy.

6.2. That an indigent consumer be given a maximum subsidy on his account of R542.28 per month, which includes a maximum of 50kwh for electricity and 6kl for water.

6.3. That free basic electricity be granted for a registered indigent consumer of 50KWh per month.

6.4. That free basic water be granted to a registered indigent of 6Kl per month.

7. The Buffalo City Metropolitan Municipality Council, approves and adopts the Draft revised budgeted related policies as set out in Annexure F:

7.1. Investment and Cash Management Policy

7.2. Long-Term Borrowings Policy

7.3. Tariff Policy

7.4. Asset Management Policy

8. That Council note the budget-related policies adopted in the previous financial year and where no amendments have been made, as listed in Section 1.3.8.3 of this report and are available on BCMM's website at www.buffalocity.gov.za .

9. That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 (Table 35) are approved.

10. That in terms of Section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 2003, the amendments to the Integrated Development Plan as set out in the Budget Chapter 17 are approved, which had been agreed to at the Councillor workshop held on 19-21 February 2015.

11. Council notes that the 2015/16 MTREF Budget tabled for adoption is structured in terms of the then Buffalo City Municipality votes and functions.

12. MFMA Circular 74 and 75, Municipal Budget Circular for the 2015/16 MTREF attached as Annexure G to be noted by Council.

Z.V. NGITHA
EXECUTIVE MAYOR

1.3 EXECUTIVE SUMMARY

At this juncture is would be apt to dwell upon the successes together with the challenges which were experienced in 2014/15, the lessons learnt during overcoming the challenges and then laying the foundations for the financial path ahead for 2015/16.

1.3.1 Metro Growth and Development Strategy

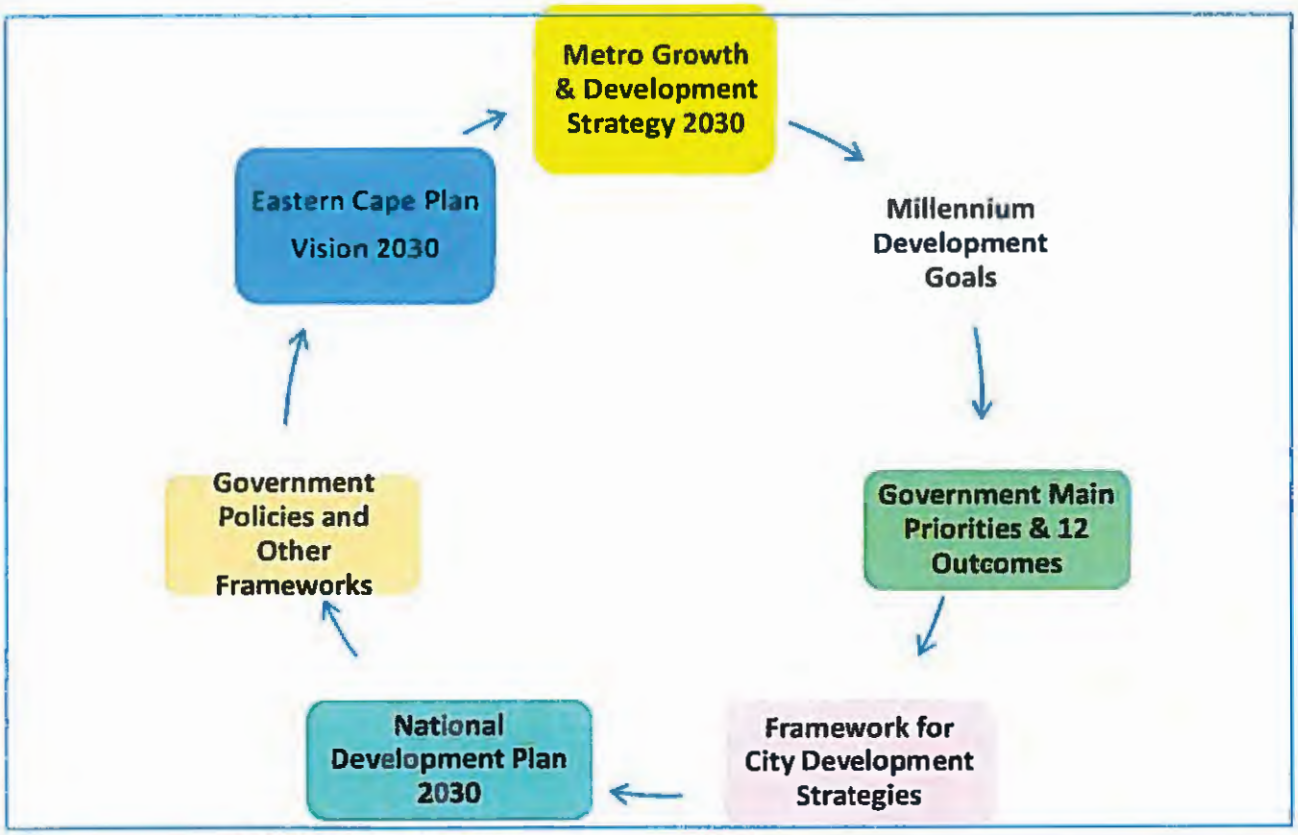


Figure 1: Cycle of Metro Growth and Development Strategy

Key Objectives of MDGS

- A strategy is a journey towards a common destination;
- Providing a liveable environment for the next generation;
- The Metro need to be competitive and find its **niche** in its region and amongst other secondary cities; and
- The city as a well governed city that is driven by insight and vision; and
- A Metro Growth and Development Strategy is a long term vision and goes beyond the IDP as a metro's 2030 vision.

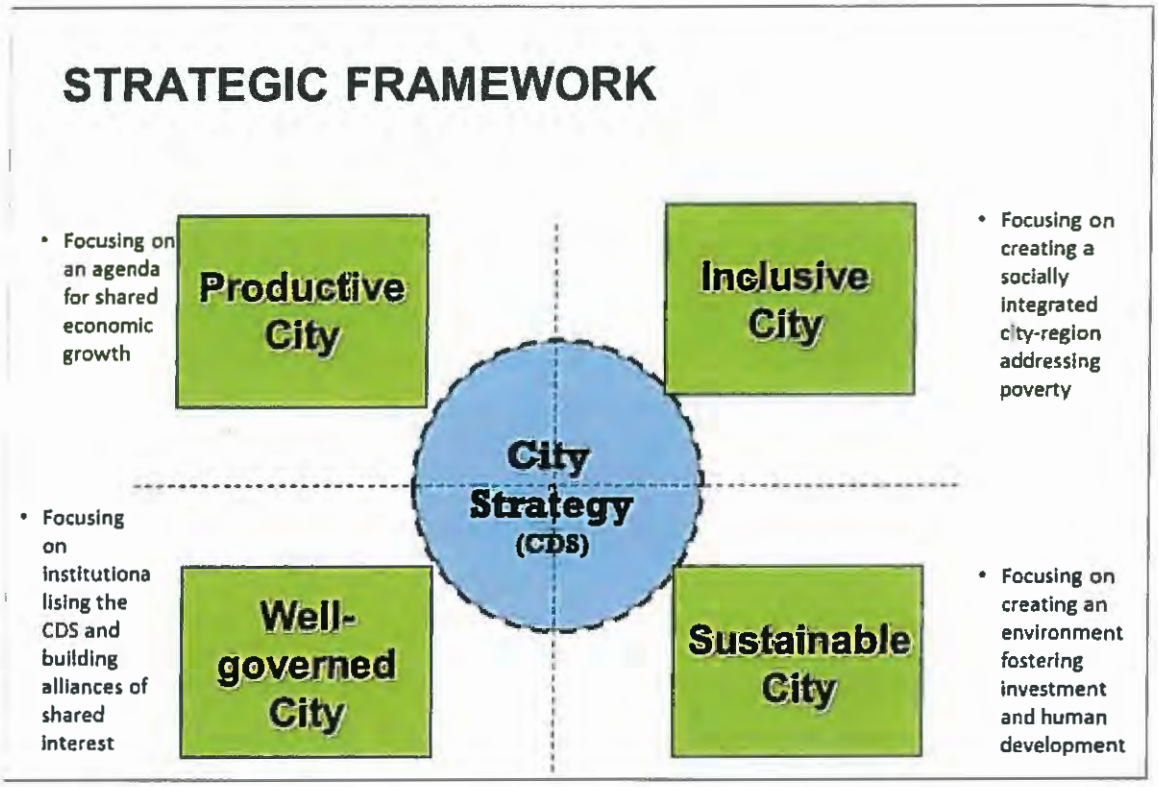


Figure 2: Strategic Framework

1.3.2 Scoping the Landscape

In the 2014/15 mid-year adjustment report it was mentioned that there continues to be a focus to reduce the deficit for the institution in line with National Treasury requirements and produce a funded surplus budget. What continues to be of concern is the potential financial impact of depreciation on the operations of the institution. It was further mentioned that there needs to be ongoing vigilance to reduce costs and become more efficient to allow for the funding of depreciation, the full impact of which still needs to be determined.

BCMM has had to take a more conservative approach in the manner in which it approaches the budgeting including the mid-year adjustment budget. This approach includes giving consideration in the budget to the cost containment measures suggested by National Treasury. These measures are being implemented in an attempt to ensure the future viability of the institution and to focus on reducing the impact on the residents within our boundaries.

There appears to be a continued reduction of the use of electricity by the residents of the Municipality as they continue to control their consumption and impact of load shedding. This has had a negative impact on the electricity revenue, which is further compounded by electricity losses including illegal connections. The city has embarked on a programme to electrify informal dwellings and has therefore budgeted R55 million in the 2015/16 MTREF period.

What continues to be of concern is that residents continue to utilise water in excess of what was originally budgeted. This is cause for concern in that water needs to be considered a scare resource requiring focused demand and supply management. The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques. Supply management requires forward planning and allocating budget to meet and undertake infrastructure expansion to meet those demands. Water losses are still significant and will be a focus for reduction in the MTREF budget whereby an amount of R181m of own funds over the 2015/16 MTREF period has been budgeted for replacement of old infrastructure.

The key liquidity metrics are deemed to be currently adequate however to ensure future viability the institution needs to determine creative ways in which it can commence planning to fund the infrastructure replacement which is expected to occur over the medium to long term. This will require the institution to budget surpluses to allow for adequate funding of historical shortfall of depreciation on existing infrastructure assets as well as the creation of own funded new assets.

In the short term the Urban Settlement Development Grant (USDG) will be used to create new infrastructure in the previously disadvantaged areas and to replace existing infrastructure in those areas where infrastructure is nearing or has exceeded its useful life. This is required to ensure the continued economic growth of the city and to allow for business confidence.

The institution has historically undertaken capital projects with the view of expansion of the city. It is however recognised that capital expansion cannot occur indefinitely without corresponding economic growth else the cost of replacement of infrastructure, through the depreciation impact on operational budgets, will outweigh the affordability of the local

economy. It is with this in mind that there needs to be strategic shift of focus towards creating infrastructure with the express purpose of job creation and creating an environment which is conducive to private sector investment in certain key industry points.

1.3.3 The National Development Plan

The National Development Plan which was adopted at the ANC's 53rd National Conference in Mangaung identifies 5 pillars for the economy to grow to a level to which we can create sustainable jobs, these are;

- *Creating an environment for sustainable employment and economic growth;*
- *Promotion of employment in labour-absorbing industries;*
- *Promoting exports and competitiveness; strengthening the capacity of government to implement its economic policy, and*
- *Demonstrating strategic leadership among the stakeholders to mobilise around the national vision.*

These pillars continue to be the cornerstone of the strategy which the country would like to follow into the future. It would therefore appear appropriate to discuss which infrastructure projects are currently in progress.

In terms of the long-term with regards to our road infrastructure, a feasibility study has been commissioned to look at diverting traffic away to the N2 via R72. This feasibility study has required ongoing engagement with the South African National Roads Agency Limited (SANRAL) and Provincial Government. This is envisaged to yield significant benefits for the traffic flow of the city and contribute economic efficiencies for economic generating businesses of our city.

In the context of the National Development Plan, as Buffalo City Metropolitan Municipality, we see our primary task as developing and maintaining our infrastructure in order to ensure that private sectors partners see the potential to keep increasing their investment in our City, while creating more jobs for our residents.

1.3.4 Local Economic Development

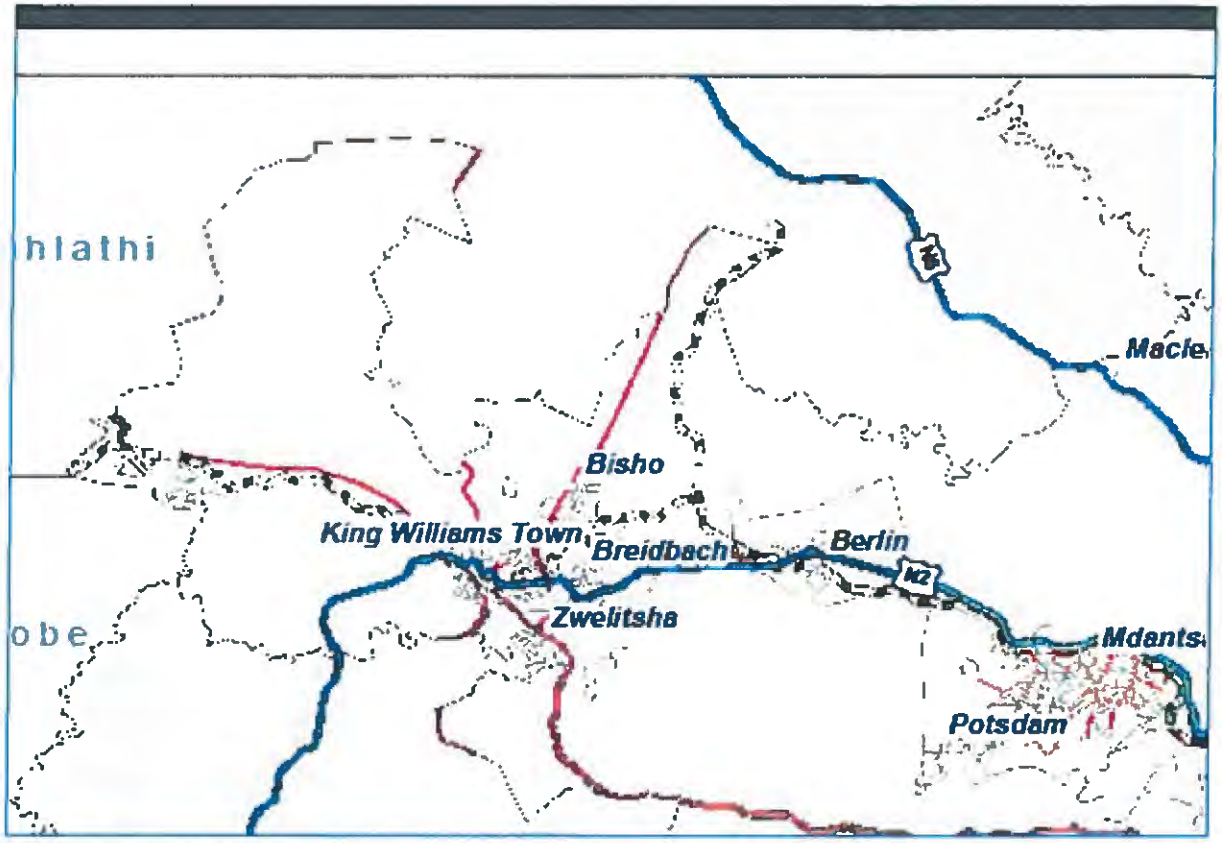
The East London IDZ's key mandate is to ensure that we create jobs by attracting foreign direct investment. As a shareholder, we are doing our part to ensure that we create an

enabling environment for the IDZ to operate in conditions that allow them to realize their strategic goals by making available 870 hectares of land in the Berlin area for projects that will create job opportunities for our people. There is currently a process underway to renegotiate the incentives which would be applicable to the IDZ over the medium term.
As a metro we are working hard to ensure that we support our auto sector by developing and maintaining our infrastructure in order for this sector to operate efficiently. We are very keen to maintain our niche in the auto sector by leveraging on the opportunities presented by expansion of MBSA. We trust that this opportunity will lead to creation of new SMMEs on the supply side.
It is recognised that the metro needs to create an environment which is conducive for private business investment. This environment needs to have stability in terms of various transport options as well as quick decision making capabilities.

A potential "game changer" which has occurred in the 2014/15 financial year is the successful completion of a property transaction for the purchase of land called "The Sleeper Site" which is situated in the centre of the central business district. This land was purchased from Transnet at a market related value. The institution is currently requesting interested parties to undertake a planning exercise to assess the most appropriate design for the land to assist in the economic growth of the city as well as encouraging development, which will assist in the revitalization of the CBD.

The institution has identified a further 5 specific existing areas which it considers as business development nodes and, as such, areas which it considers as having huge benefits to potential investors. These areas are:

1) West Bank
2) Wilsonia
3) Fort Jackson
4) Berlin
5) Dimbaza



All these areas have existing infrastructure which, with minimal investment, could yield significant benefits for the local economy and contribute to the GDP of the country. It further needs to be recognised that these are effectively business nodes which could be developed to be closer to areas of labour resulting in reduced travelling costs for the labour force.

The focus needs to be on more permanent job creation, reducing dependence on social grants in the form of indigent subsidies. This will allow individuals to pay for the services they are receiving and allow for the reallocation of funds to other areas of focus.

1.3.5 Charting the Way Forward

The Minister of Finance, Nhlanhla Nene, delivered his first budget for the South African government on the 25 February 2015. His address was frank in that it mentioned that the world economy continues to find itself in difficulty with global institutions struggling within the current economic climate which is characterised by low economic growth.

In South Africa the economy is crippled by low economic rate, high unemployment, electricity shortages to mention a few. There is a focus to reduce that national fiscus deficit in the medium term. The call to achieve more for less in the public sector is paramount. Cost containment measures must continue to reduce consumption spending. Metros must find more innovative ways of funding rather than depending on conditional grants.

National Treasury have recognised the importance of total urban settlement development and, in support thereof, has created the Built Environment Performance Plan (BEPP). This plan is to ensure infrastructure projects are focused on economic corridors to have maximum benefit for the inhabitants of the city.

Although it is recognised that there is an onus on the city to provide social support to its inhabitants that are financially challenged, this is not considered the most beneficial for the individuals or the local economy. As such, focus needs to be on the creation of sustainable jobs through encouraging private sector investment in the city. This strategy will identify certain economic zones where there is existing significant capital investment, and offer incentives to business over a period of time to invest in those areas. This will allow individuals who may have been financially challenged to become active members of the local economy.

The institution has undertaken an exercise to analyse the capital infrastructure investment between social and economic investment with a target being placed of 60% economic investment and 40% social investment. Although the institution has not managed to achieve these target levels for all years in the MTREF period, it will continue attempting to achieve these targets going into the future in line with the strategic focus being given in the National Development Framework. It needs to be recognised that there have been a significant number of housing projects which are entering their implementation phase resulting in pressure being placed on the budget in the 2017/18 financial year as these projects are at their peak in terms of funding requirements.

Funding for the 2015/16 and 2016/17 infrastructure projects have been allocated in an attempt to ensure projects which are currently underway are completed and implemented for the benefits of the community to which they relate. The current capital work in progress

continues to be a focus area to ensure the infrastructure assets are completed and brought into use.

The institution has taken a further strategic decision to invest funding to replace existing infrastructure. The investment is to be focused on the urban core which will allow for the upgrading of infrastructure to enable a regeneration of the central business area thereby encouraging private sector investment and job creation.

The city is planning on implementing projects which will convert one of the main streets of the city into a pedestrian area serviced by public transport, and converting the surrounding roads into one ways. It is envisaged that this will improve the flow of traffic in the area and allow for a more relaxed atmosphere. This is a further effort to encourage private sector investment into the urban core.

Currently the city is in a fortunate financial position in that it has a low gearing ratio together with its "A" Long Term Rating (Global Credit Rating) thus allowing the city to obtain additional long term borrowings. A strategic decision has been taken that should additional borrowings be procured then these funds will be utilized on assets that are expected to generate a return. However, the city is cautious in accessing these borrowing facilities due to insufficient operating surpluses allowing for capital repayments. Projects need to be assessed in terms of additional revenue that can be generated for the City in order to determine the potential ability of the institution to repay the loan.

MFMA Circular 74 and 75 were taken into consideration in the preparation of the 2015/16 MTREF Budget. The BCMM consolidated budget for the 2015/16 MTREF period is R7 billion (2015/16), R7.6 billion (2016/17) and R8.15 billion (2017/18) with the table below summarising the consolidated overview of the 2015/16 MTREF Budget.

The table below summarizes the consolidated overview of the 2015/16 MTREF Budget.

Table 1: Consolidated Overview of the 2015/16 MTREF Budget

OPERATING AND CAPITAL BUDGET EXPENDITURE	2014/2015 ADOPTED BUDGET YR1	2014/2015 MID-YEAR ADJ BUDGET	2015/2016 PROPOSED BUDGET	2016/2017 PROPOSED ADJUSTMENTS	2017/2018 PROPOSED BUDGET
Total Operating Revenue	(4 761 340 651)	(4 871 757 646)	(5 719 607 491)	(6 251 032 680)	(6 630 850 372)
Total Operating Expenditure	4 749 700 442	4 890 429 217	5 718 685 323	6 248 952 059	6 630 013 827
(Surplus) / Deficit	(11 640 209)	18 671 571	(922 168)	(2 080 621)	(836 545)
Total Capital Expenditure	942 007 423	1 168 745 004	1 275 354 230	1 349 540 158	1 521 069 115
Total Expenditure Budget	5 691 707 865	6 059 174 221	6 994 039 553	7 598 492 217	8 151 082 942

Revenue has increased by 15% in relation to the expenditure increase of 14% from 2014/15 revised budget to the 2015/16 budget. The capital budget has increase by 9% resulting in the overall total budget increase of 13% from the 2014/15 revised budget to the 2015/16 budget. The operating revenue increase is mainly attributable to tariff increase as well as slight growth in revenue base e.g. new connections, supplementary valuation to include new developments and rezoning. The operating expenditure increase is attributable to CPI increase, expected increase in number of registered indigent consumers that will receive indigent subsidy, additional staff complement and additional repairs and maintenance provision to respond to the aging infrastructure. The increase in capital expenditure is in respond to service delivery needs to address backlogs and renew aging infrastructure.

Revenue & Expenditure Strategy

The municipality's revenue strategy is built around the following key components:

- Efficient revenue management, which aims to ensure not less than 92% annual collection rate over the medium term for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Move from a flat-rate billing system to all consumers billed according to consumption;

- Implementation of an automated billing system as opposed to a manual meter reading process;
- Regular Supplementary Valuations performed. The policy is for a minimum of 2 Supplementary Valuations per year.
- The successful implementation of a General Valuation on 1 July 2014 and then every four years thereafter in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

The municipality's expenditure strategy is built around the following key components:

- Ensuring that capital expenditure is incurred in line with the requirements detailed in the Spatial Development Plan to ensure maximum return to the municipality.
- Re-prioritisation of expenditure to ensure any inefficiencies are eliminated to allow for own-funded capital programme.
- Additional funding to be allocated to the maintenance of the infrastructure.

The table below reflects the Capital Budget for services for the 2015/16 MTREF period.

Table 2: 2015/16 – 2017/18 Capital Budget Per Service

Services	2015/2016 Draft Capital Budget	2016/2017 Draft Capital Budget	2017/2018 Draft Capital Budget
Water	91 000 000	91 000 000	91 000 000
Waste Water	258 055 969	172 276 007	293 298 430
Electricity	158 500 000	171 500 000	111 500 000
Roads and Stormwater	265 000 000	260 000 000	224 900 000
Housing	211 424 000	323 359 685	386 579 685
Transport Planning	68 220 661	163 611 051	225 022 000
Waste Management / Refuse	21 710 100	15 412 415	1 000 000
Amenities	72 493 500	41 750 000	84 785 000
Public Safety	21 650 000	28 540 000	22 655 000
Support Services	59 300 000	64 091 000	50 329 000
Other - BCM Fleet	48 000 000	18 000 000	30 000 000
	1 275 354 230	**1 349 540 158**	**1 521 069 115**

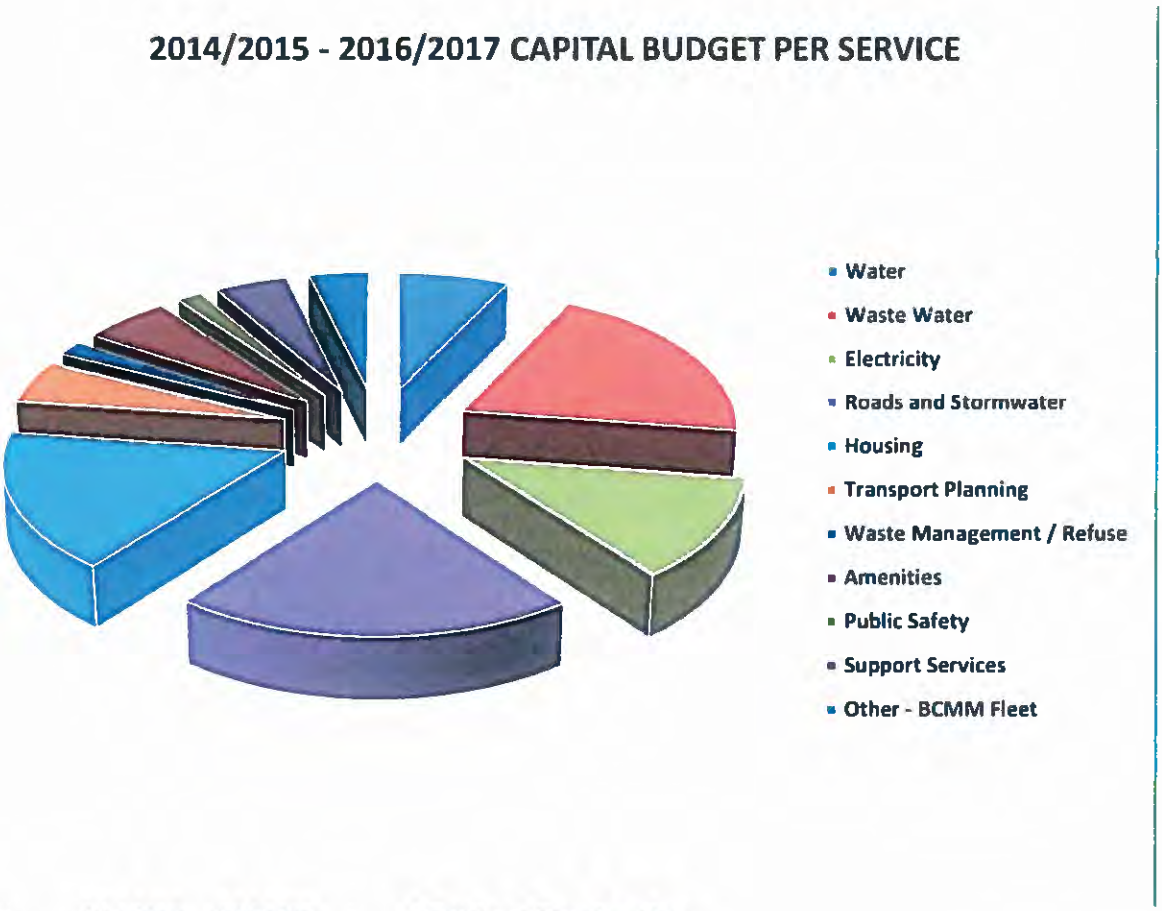


Figure 3: 2014/15 – 2016/17 Capital Budget Per Service

A major portion of the capital budget in the 2015/16 MTREF period has been allocated to the major infrastructure services (Waste Water: 20%, Roads and Storm Water: 21%). Although these services are not all revenue generating the budget expenditure is in terms of our socio-economic development mandate. There is however a drive to channel more funding towards economic infrastructure in order to stimulate economic growth in the Metro.

1.3.6 Summary of Rates and Service Charge Tariff implications to the 2015/16 MTREF Budget

Table 3: Average Tariff increases for 2014/15 to 2017/18

Description	2014/2015	2015/2016	2016/2017	2017/2018
Rates	0%	9.90%	9.60%	9.40%
Refuse	12.50%	9.50%	9.20%	9.00%
Sewerage	10.50%	9.50%	9.20%	9.00%
Electricity	7.39%	12.20%	12.20%	12.20%
Water	14.95%	11.00%	10.70%	10.50%
Fire Levy	9.50%	9.90%	9.60%	9.40%
Sundry Income	9.50%	9.90%	9.60%	9.40%

1.3.6.1 Overall Summary of Year-on-Year Increases

On average tariff associated revenue is expected to increase year on year in 2015/16 by less than 10% excluding electricity and water where the tariff will increase more than 10%. The increases are attributable to a combination of increases in input costs associated with providing the service as well as an ongoing attempt to ensure each service produces revenue sufficient to cover the costs of providing the service.

There is an ongoing focus area in the MTREF budget to ensure that work-in-progress which is detailed in the Annual Financial Statements reaches completion stage and is implemented in various areas to improve the perception of service delivery. The impact of this which needs to be considered is that once implemented these projects will require additional operating budget through maintenance budget as well as depreciation funding to allow for the estimated useful life to be achieved and to allow for the replacement of the infrastructure assets in the future.

The ongoing expansion of the city through budget infrastructure spending without the corresponding economic growth is placing additional pressure on the BCMM local consumer to fund the replacement of the assets which is impacting on the operational

budget through the increasing depreciation charge. Furthermore, there is an additional impact on the consumer debt book.

1.3.6.2 Rates

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values were implemented from 1 July 2014. An increase on rate tariffs of 9.9% in the 2015/16 financial year (2016/17: 9.6%, 2017/18: 9.4%) has been planned. Yearly supplementary valuations will be undertaken and it is projected that they will yield a revenue of R9.5 million in the 2015/16 financial year.

1.3.6.3 Electricity

In terms of the guidelines provided by the National Energy Regulator of South Africa (NERSA), they have published that they expect the cost of electricity to increase by a budgeted 14.24%. Following due consideration being given to the NERSA guidelines a decision has been made to increase electricity tariffs by 12.20% as recommended by the guideline. NERSA is considering an application submitted by ESKOM for a further tariff hike for 2015/16 financial year and the outcome would be known by end of June 2015. If the additional tariff increase is granted the electricity tariff would have to be adjusted accordingly. There continues to be ongoing concern with electricity in that:

- The diminishing gross profit generated by electricity over the prior financial years is a concern. This is associated with illegal connections and material distribution losses.
- Consumers appear to be showing a tendency to reduce their spending on electricity. This is being shown by a reduced amount of purchases from Eskom and suggests that consumers may be changing their usage practices as well as converting to alternative forms of energy. The load shedding is also contributing to this problem.
- The Eskom energy challenges have also contributed to the reduced spending on electricity with high rate of load shedding being experienced.
- The ongoing high increases in electricity bulk purchases.

The following corrective action is being undertaken to minimize the above concerns:

- An allocation of capital funding amounting to R537 million over the MTREF period (2015/16: R207 million, 2016/17: R190 million and 2017/18: R142 million) has been allocated to the electricity service department for electricity infrastructure investment. This includes the amount of R230 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF (2015/16: R90 million, 2016/17: R100 million and 2017/18: R40 million).
- The city has embarked on a programme to electrify informal dwellings and has budgeted R66 million over the 2015/16 MTREF period. This will reduce the risk of illegal connections.
- A unit has been formed to identify and rectify the disconnection and reconnection of illegal electricity connections across the city.

1.3.6.4 Water

Water tariffs have been increased by 11% in the 2015/16 financial year. In line with guidance which was received from National Treasury regarding each service delivery being able to generate revenue that is at least equal to the cost of the service, an analysis was undertaken to determine what tariff requirements would be needed to achieve a break even position. The affordability of consumers' needs to further be taken into consideration in order to limit a significant annual impact. This analysis suggests an impact of 11% in 2015/16 financial year, 10.70% in 2016/17 and 10.50% in 2017/18 financial year will reduce the deficit being experienced in water. It needs to further be recognised that the institution purchases untreated water from the Amatola Water Board. The increase associated with this water is 8% adding further pressure on the breakeven analysis for the institution. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

There continues to be ongoing concern with water in that:

- Water losses continue to be high. The reason for this is because of aging infrastructure, areas of flat-rated charges, financially challenged consumers using water in excess of that allowed for in the indigent policy.
- An analysis of the Amatola Water Board costs suggest the majority are salary related which the Municipality is funding in duplicate through direct costs of individuals employed by the City and then through the tariff paid by consumers. This is considered inefficient and the impact on our consumers could be reduced should we be allowed to manage our own water resources. It should further be noted that Buffalo City Metropolitan Municipality is the only Metro that does not manage its own water resources which in itself causes concern from a planning and development perspective.
- The fact that BCMM is having high number of rural areas is having negative impact to the water service as no revenue is generated on water supplied to rural areas.

The following corrective action is being undertaken to minimize the above concerns:

- A total capital budget allocation of R273 million has been made over the MTREF period (R91 million each year) to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply.
- This includes the amount of R120 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated over the MTREF (R40 million each year).
- As part of the above programme the city will replace standpipes and non-metered areas with new meters. This will reduce the risk of water losses.
- The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques.
- Consider managing our own water resources to allow for adequate future supply planning as well as reducing costs by eliminating duplicated functions.

1.3.6.5 Sanitation

The proposed sanitation tariff increase is 9.5% in the 2015/16 financial year; 9.2% and 9% in the outer years respectively. There continues to be ongoing concern surrounding the ageing sanitation infrastructure and the impact this has on the operational budget through increasing maintenance costs as well as ensuring the financial sustainability of the service in line with guidance provided by National Treasury.

The impact of the ageing infrastructure is expected to have additional impact on the amount of maintenance expenditure required. It should further be noted that the input costs associated with salaries are expected to increase by 5.6% in line with CPI for the 2015/16 financial year. An allocation of capital budget amounting to R216 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period (2015/16: R64.5 million, 2016/17: R75 million and 2017/18: R77 million).

It should be noted that the expansion of the city through continued investment in new infrastructure for future demand places additional pressure on the existing customer base in order to allow for the replacement of the infrastructure in the future. It is therefore imperative that expansion needs to be adequately planned to allow for maximum connection of new customers and allow for the reduced impacts on tariffs.

In summary, the tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

1.3.6.6 Refuse

The proposed Solid Waste tariff increase is 9.5% in the 2015/16 financial year, 9.2% and 9% in the two outer years respectively. The Solid Waste tariffs are levied to recover amongst others costs of services provided directly to customers and include refuse collection fees, disposal fees, weighbridge fees and other ad hoc services. In an attempt to improve the refuse collection service, capital budget allocation of R96 million over the

MTREF period from own funds has been allocated for purchase of specialised fleet, plant and equipment for solid waste department.

1.3.7 Summary of Financial Position, Medium Term Revenue and Expenditure Strategy

1.3.7.1 Cash & Cash Equivalents

BCMM is also projecting a favourable cash position, which currently projected to be R2.3 billion at 30 June 2016 and is projected to be R2.4 billion at 30 June 2017 (2018: R2.5 billion).

1.3.7.2 Cost Coverage

The projected cost coverage, including conditional grants is projected to be 7.6 months at 30 June 2016 and is projected to remain at 7 months over the MTREF period. BCMM maintains a cost coverage of at least 3 months. The average cost coverage over the last 10 months is 7.09 months.

1.3.7.3 Debt Impairment

Debt Impairment is currently budgeted at 6.8% of the projected billable revenue over the medium term and amounts to R245 million in 2015/16 and growing to R273 million in 2016/17 and R306 million in 2017/18 financial year. This is based on the average projected collection rate of 92% to year end.

1.3.7.4 Borrowings

In the 2015/16 MTREF budget no projects are funded from borrowings. The institution continues its focus on improving the financing mix of the capital investment programme. In this regard an analysis has been undertaken to determine what would be the maximum long term loan funding that the institution could incur to remain within the National Treasury guidance norms which have been provided. The National Treasury Guidance Norms for Capital Cost (Interest Paid and Redemption) as a percentage of total operating expenditure is between 6 to 8%. The National Treasury Norm for Debt (Total Borrowings) as a percentage of revenue is 45%. Applying this criteria to the financial information results in the maximum borrowings which the institution should consider being R2.3

billion. If the existing long term loans which the institution has entered into is excluded it suggests that the institution could incur a maximum of R1.7 billion worth of additional long term loans. This analysis does however not take into account the critical component for consideration being the ability for the institution to repay the long term loan.

1.3.7.5 Asset Management

The institution has assessed the infrastructure asset categories of the institution and has noted with concern a continuing trend suggesting an infrastructure asset base showing a declining remaining useful life. This is particularly concerning in relation to the wastewater network which suggests that only 8.5 years remain of the useful life. The institution therefore needs to focus the resources into replacing existing infrastructure in order to increase the average remaining useful life of asset categories and, in so doing, improve efficiencies in the system. It is by taking this strategy into consideration that additional resources will be focused on replacing infrastructure in areas by applying a focused approach. This approach focuses funding into areas that have an economic benefit for the city or in areas that have the oldest infrastructure assets in most need of replacement. This approach is expected to yield benefits through reduced water and electricity losses. Funding will be allocated based on submitted and approved business plans.

1.3.7.6 Built Environment Performance Plan (BEPP)

The Buffalo City Metropolitan Municipality's Built Environment Performance Plan 2015/2016 (BEPP), is submitted in accordance of the Division of Revenue Act (DoRA) requirements in respect of the various grants related to the built environment and secondly in partial fulfilment of the requirements of the Integrated City Development Grant (ICDG) in the 2015/2016 financial year. The Buffalo City Built Environment Performance Plan (BEPP) is a brief, strategic overview of the built environment aimed at improving the performance of metropolitan built environment. It is a city-level plan formulated and approved by the metro, and it complements existing statutory plans and compliance with legal requirements.

The core objective of the BEPP is that it provides (i) a strategic overview of the built environment; (ii) programmes and targets with an outcomes focus; (iii) basis for infrastructure grant submissions and grant alignment. The BEPP indicates how a metro will apply its capital financing, including grant resources and all other sources of finance, fiscal and regulatory instruments and incentives and what it intends to achieve with these resources and instruments in respect of the local, provincial and national priorities of improving the performance of our built environments and transforming the spatial urban form. (Refer to Annexure H)

1.3.8 BCMM's Priorities and Linkages to the IDP

Community consultation on the draft IDP review 2015/16 and MTREF Budget is due to take place from 8-24 April 2015. All BCMM 50 wards will be visited during the public consultation process, the municipality will be reporting progress towards the implantation of their key priorities.

During the last Executive Mayoral Imbizo which was held on 25-31 October 2014, BCMM's wards identified the following priority issues:

Table 4: Community Priorities Per Region:

Priorities from Coastal Wards

ISSUE	WARDS	DETAIL
Housing	1,5,6,8,13,15,16,27 29, 31and 46	Requests for RDP housing, Clarifications of beneficiaries for projects i.e. Reeston (ward 13), incomplete housing projects phase 3 (ward 15), Collapsing houses due to rain (Phase 2).
Roads, Speedhumps and Bridges	5,13,15,16, 27, 46 and 47	Speed humps and painting of existing ones, maintenance of roads in Phase 2 and 3 and also in ward 16 and 27, construction of a bridge between Amalinda Forest and Simanyane.
Electricity **Streetlights**	5,32, 13,16 and 27	Speedy electrification of informal settlements and there's a growing challenge with illegal connections, Installation and Maintenance of streetlights.

ISSUE	WARDS	DETAIL
Water and Sanitation	7, 33 , 13,16,29 and 46	Requests for ablution facilities, Water leakages, cleaning of toilets ward 7, maintenance of bucket system which is not being maintained in ward 29.
Community Hall and sport field	13,16 and 31	Development of sports field and maintenance thereof, sports fields vandalism, building and maintenance of community halls.
Cemeteries	31,33	Construction of new cemetery (ward 31, 33). Fencing of existing ones.

Priority Issues from Midland Wards

ISSUE	WARDS	DETAIL
Housing	12,17,20,21,26 and 48	Requests for RDP housing, Concerns about land claims and land administration for housing development, Residents selling their RDP houses to other residents.
Electricity	14,22,24,26,48, 23,42 and 50	Electrification of informal settlement (Lilian Ngoyi), Illegal electricity connections, Installation of prepaid boxes, poor electricity supply.
Storm water drainage	14 and 48	Poor water drainage.

Priority Issues from Midland Wards

ISSUE	WARDS	DETAIL
Roads, Pavements & Bridges	35,36 and 44	Bad condition of roads Madramini to Sandile (Great Place
Electricity	25,35 and 41	Electrification programme to prioritise the disabled, Electrification programme to be fast tracked.

ISSUE	WARDS	DETAIL
Job Creation	36,43 and 44	Accelerate the creation of job opportunities.
Good governance	40 and 44	Non-attendance of the Ward Councilor when meetings had been scheduled.
Crime	35	Increased crime rate.

The Executive Mayoral Lekgotla held from the 15 – 17 October 2014 emphasized key priorities of the BCM Metro as follows:

- Focus on Back to Basics approach for municipalities
- BCMM to explore alternative sources of energy
- Improved Solid Waste management
- Focus on agriculture as key driver of economic development
- Develop strategies that will focus on port, railway and airport as key levers for economic transformation
- Job creation initiatives particularly benefiting youth
- Achieving housing level 2 accreditation for BCMM
- Develop a comprehensive plan to address the incorrect billing crisis
- Reviewal of the BCMM mission and vision to speak to the growth of the city
- Vigorous implementation of the communication strategy/plan
- Accelerate housing delivery
- Revival of the Buffalo City Development Agency
- Risk management
- Urgently address pertinent issues of Climate change
- Development and enforcing of municipal by-laws

1.3.8.1 Key Amendments to the IDP

Annual reviews of the Integrated Development Plan allow the municipality to refine strategies and objectives, to ensure that they inform institutional and financial planning. The review and amendment of the IDP thus, further ensures that it remains the principal management tool and strategic instrument for the Municipality. The IDP review process

occurs in phases and during each phase amendments or updates maybe were based on new facts or information

1.3.8.2 Alignment With And Achievement Of National, Provincial And District Priorities

The national sphere of government develops and promulgates legislation, policies and strategies which all spheres have to implement. In developing their own plans and policies, other spheres of government, particularly the local government sphere has to ensure that there is alignment with both National and Provincial plans. Key plans and policies include the National Spatial Development Perspective, National Development Plan, Provincial Growth and Development Plan, Millennium Development Goals and the 12 Local Government Outcomes.

1.3.8.3 Key amendments to the budget related policies

No amendments were made to the following existing BCMM budget-related policies.

- Capital Infrastructure Investment Policy
- Funding and Reserves Policy
- Policy on Long-Term Financial Planning
- Budget Implementation & Management Policy (Virement Policy)
- Credit Control Policy
- Indigent Policy

The following policies have been reviewed and adjusted accordingly:

- Investment and Cash Management Policy
- Long-Term Borrowing Policy
- Tariff Policy
- Asset Management Policy

1.3.8.4 Municipal Entity

The Buffalo City Metropolitan Municipality entity being Buffalo City Development Agency (BCDA) is currently being resuscitated, the board of directors have been constituted and key staff personnel is being recruited to fill all critical positions.

1.4 OPERATING REVENUE FRAMEWORK

For BCMM to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the City is faced with development backlogs and increasing rate of unemployment. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues to be collected.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 5: Table A4 %age growth in revenue by main revenue source

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	522 514	580 100	672 957	796 668	813 298	813 298	813 298	902 842	988 889	1 081 070
Property rates - penalties & collection charges	-	-	-	512	512	512	512	571	637	709
Service charges - electricity revenue	1 137 198	1 266 660	1 383 884	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
Service charges - water revenue	239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
Service charges - sanitation revenue	197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
Service charges - refuse revenue	175 341	198 898	228 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Service charges - other	4 663	5 452	12 149	14 261	14 261	14 261	14 261	16 056	18 083	20 338
Rental of facilities and equipment	14 620	15 485	15 018	17 013	17 013	17 013	17 013	18 629	20 399	22 296
Interest earned - external investments	58 737	83 980	96 477	77 491	77 491	77 491	77 491	133 620	137 409	141 311
Interest earned - outstanding debtors	23 920	22 204	27 178	29 383	29 383	29 383	29 383	32 175	35 231	38 508
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	5 456	5 979	5 910	9 400	9 400	9 400	9 400	10 293	11 271	12 319
Licences and permits	15 708	15 299	14 161	20 523	20 523	20 523	20 523	22 472	24 607	26 896
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	724 170	723 457	812 167	828 531	929 301	929 301	929 301	1 249 333	1 342 793	1 245 686
Other revenue	309 474	519 815	586 988	561 732	563 131	563 131	563 131	662 931	699 384	735 483
Gains on disposal of PPE	-	-	12 084	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3 429 309	3 931 380	4 441 899	4 761 341	4 871 758	4 871 758	4 871 758	5 719 607	6 251 033	6 630 850

The following graph gives a breakdown of the main revenue categories for the 2015/16 financial year.

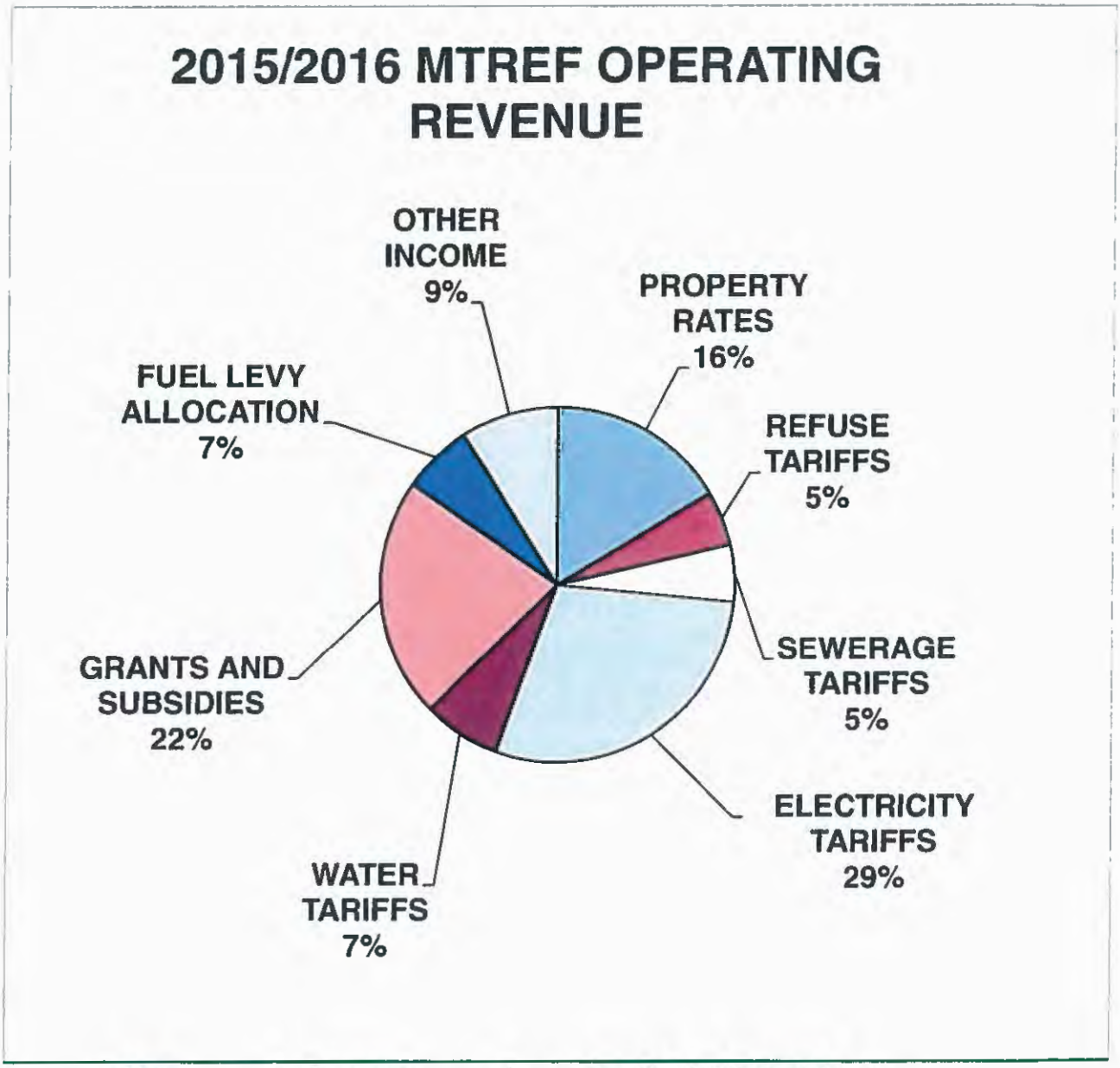


Figure 4: Main Operating Revenue categories for the 2015/16 financial year

In 2015/16 the City's own generated revenue is 71% of the total revenue totalling to R4.1 billion and remains constant at 71% which is R4.5 billion in 2016/17 and increased to 75% which is R4.9 billion in the 2017/18 financial year. This is mainly attributed to the electricity service contribution to the total revenue mix (inclusive of conditional and unconditional grants) which is 29% in the 2015/16 financial year and increasing to 31% in the two outer years.

Electricity revenue is increasing from R1.5 billion to R1.7 billion in 2015/16, it further increase to R1.9 billion and R2.1 billion respectively in two outer years of the 2015/16 MTREF period. Property rates are the second largest own revenue source with 16% contribution over the 2015/16 financial year.

The table below reflect Operating Transfers and Grants that the municipality will be receiving in the MTREF period.

Table 6: Table SA18 - Operating Transfers and Grant Receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	585 976	657 974	706 873	698 929	699 729	699 729	714 196	696 620	704 510
Local Government Equitable Share	582 812	650 616	653 660	656 674	656 674	656 674	655 141	643 419	649 421
Urban Settlement Development Grant	-	-	43 508	33 465	34 265	34 265	33 348	33 148	32 148
Finance Management	1 450	1 500	1 300	1 500	1 500	1 500	1 300	1 300	1 300
EPWP Incentive	-	1 484	2 705	1 890	1 890	1 890	1 149	-	-
Infrastucture Skills Development Grant	-	3 000	5 700	5 400	5 400	5 400	8 400	9 500	11 000
Integrated National Electrification Programme	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement	-	-	-	-	-	-	-	-	-
Department of Water Affairs	1 714	1 374	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	5 605	-	-
Municipal Human Settlement Capacity Grant	-	-	-	-	-	-	9 253	9 253	10 641
Provincial Government:	5 414	5 831	103 141	121 696	221 486	221 486	531 687	644 531	537 331
Roads Subsidy - Provincial Roads	-	-	-	1 871	1 871	1 871	1 871	1 871	1 871
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)	-	-	-	3 745	3 546	3 546	-	-	-
Department of Environmental Affairs (Greening Award)	-	-	-	-	2 500	2 500	-	-	-
Department of Water Affairs	-	5 831	2 627	-	-	-	-	-	-
Local Government & Traditional Affairs	-	-	-	9 101	8 369	8 369	2 000	1 000	1 000
Health Subsidy - Primary Health Care	-	-	-	-	-	-	-	-	-
Health Subsidy - ATIC	5 414	-	-	2 522	2 522	2 522	2 522	2 522	2 522
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Library Subsidy	-	-	7 276	3 638	3 638	3 638	3 638	3 638	3 638
Reclaim Land Claims Commission(RLCC	-	-	-	-	-	-	-	-	-
Dept Sport, Recreation, Arts and Culture (DSRAC)	-	-	-	37	37	37	-	-	-
Dept of Land Affairs	-	-	-	777	152	152	-	-	-
Accreditation Capacity Enhancement Grant	-	-	-	-	-	-	-	-	-
Human Settlement Development Grant	-	-	93 238	99 938	198 783	198 783	521 656	633 500	528 300
Human Settlement Development Grant - MPCC	-	-	-	-	-	-	-	2 000	-
Office of the Premier	-	-	-	67	67	67	-	-	-
District Municipality:	-	-	1 288	-	-	-	-	-	-
Health Subsidy - Environmental Health	-	-	1 288	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Other grant providers:	5 181	3 656	4 186	7 905	8 006	8 006	3 329	3 196	3 196
SETA - Skills Development	4 387	3 419	3 130	2 795	2 795	2 795	2 989	3 196	3 196
SETA - Councillor Training	-	-	-	-	-	-	-	-	-
Donor Funding - Leiden & Galve	236	50	345	136	136	136	-	-	-
Salaida	-	-	-	-	-	-	-	-	-
Trust Funds	277	188	-	2 715	2 782	2 782	-	-	-
Umsobomvu Youth Fund	-	-	-	710	745	745	-	-	-
BCMET Funding	281	-	710	-	-	-	-	-	-
Donor Funding - European Commission	-	-	-	500	500	500	340	-	-
DBSA	-	-	-	-	-	-	-	-	-
LOTTO	-	-	-	-	-	-	-	-	-
Vuna Award	-	-	-	1 049	1 049	1 049	-	-	-
SIDA	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	596 571	667 461	815 489	828 531	929 221	929 221	1 249 211	1 344 347	1 245 037

1.4.1 Property Rates and Service Charges and Impact of Tariff Increases

The proposed revisions to the tariffs have been formulated in accordance with the BCMM's policies and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the Local Government Municipal Systems Act, any fees, charges or tariffs which a municipality may wish to levy and recover in respect of any function or service of the municipality, must be approved by a resolution passed by the municipal council with a supporting vote of a majority of its members.

1.4.1.1 Property Rates

Property rates are a major source of revenue income for the City and contribute to cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the BCMM's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the differential rate ratio for public service infrastructure, public benefit organisation and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was effected in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the municipality's Indigent Policy where the value of the indigent property is to a maximum of R150,000 as determined for a RDP house;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40% will be granted to owners of rate-able property if the total gross income of

the applicant and/or his/her spouse, if any, does not exceed R5000 per month. In this regard the following stipulations are relevant:

- The rateable property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.

- The Municipality may award a 100% grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 9.9% percent tariff increase from 1 July 2015 is contained below:

Table 7: Comparison of proposed rates to be levied for the 2015/16 financial year

CATEGORY	Existing tariff (from 1 July 2014) C	Proposed tariff (from 1 July 2015) C
Residential properties (incl. farms & small holdings used for residential purposes)	0,008225	0.009039
Agricultural (used for Bona-fide farming)	0,002056	0.002260
Public Service Infrastructure	0,002056	0.002260
Business, Commercial & Industrial properties (incl. farms used for Game- / Eco Tourism)	0,020562	0.022597
Educational Institutions	0,005757	0.006327
Municipal Owned properties (Rateable, used for residential purposes)	0,008225	0.009039
Municipal Owned (Rateable, used for non-residential purposes)	0,020562	0.022597
Municipal Owned (Non-rateable)	0,000000	0,000000
Mining / Quarry	0,020562	0.022597
Government properties (incl. Correctional Services Facilities, Office buildings & Hospitals)	0,020562	0.022597
Vacant land	0,024674	0.027117
Religious sites or Places of Worship	0,000000	0,000000
Special properties (e.g. Museums, Libraries)	0,000000	0,000000
Public Benefit Organisations	0,002056	0.002260
Rural Communal properties	0,000000	0,000000

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values were implemented from 1 July 2014. An increase on rate tariffs of 9.9% in the 2015/16 financial year (2016/17: 9.6%, 2017/18: 9.4%) has been planned. Yearly supplementary valuations will be undertaken and it is projected that they will yield a revenue of R9.5 million in the 2015/16 financial year.

1.4.1.2 Sale of Water and Impact of Tariff Increases

The water tariff structure of the 2015/16 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R28.9796 per kilolitre for consumption in excess of 30kℓ per 30 day period.

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are fully cost reflective by 2014. Although the institution is attempting to comply with this request, the annual impact on consumers in terms of affordability needs to be considered.

The institution is currently concerned about the high level of water losses which have been historically incurred. The Water Management business plan has been presented and approved by Council which requires approximately R160 million over 4 years for implementation. The plan is focused on reducing water losses through replacing stand pipes, converting fixed rate properties to metered consumption and upgrading ageing infrastructure. An amount of R40 million has been allocated annually within the MTREF budget to cater for this plan. It is envisaged that this will reduce the water losses being incurred to a level which is comparable to the peers of the institution. The current level of water losses is contributing to a situation whereby the institution is unable to reach a point of break even for this trading service without implementing unaffordable tariff increases. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Amatola Water has increased its bulk tariffs with 8% from 1 July 2015. There is some concern surrounding the determination of this tariff as a large portion relates to employee

costs which, it could be argued, the Municipality is already incurring through the individuals we have working directly. A tariff increase of 11% from 1 July 2015 for water is proposed. This is based on input cost assumptions of 8% increase in the cost of bulk water (Amatola Water), and the service progressing to becoming self-sufficient with at least a break-even position. In addition 6 kℓ water per 30-day period will again be granted free of charge to all indigent residents. There is also water service that is provided to rural areas which are not billed for water consumption.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 8: Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2014/15 Rand per kℓ	PROPOSED TARIFFS 2015/16 Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period (Indigent)	0,0000	0,0000
(ii) 0 to 6 kℓ per 30-day period (Non-Indigent)	11,3330	12.5796
(iii) 7 to 10 kℓ per 30-day period	11,5552	12.8263
(iv) 11 to 20 kℓ per 30-day period	16,0487	17.8141
(v) 21 to 30 kℓ per 30-day period	20,8039	23.0923
(vi) More than 30 kℓ per 30-day period:	26,1077	28.9796
NON-RESIDENTIAL		
(i) From the 1st kℓ per 30-day period	15,8898	17.6377

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 9: Comparison between current water charges and increases (Domestic)

Monthly Consumption kℓ	Current amount Payable R	Proposed amount payable R	Difference (Increase) R	%age change
10	114,21	126,78	12,57	11,00%
20	274,71	304,92	30,22	11,00%
30	482,77	535,85	53,08	11,00%
50	1 004,90	1 115,44	110,54	11,00%
75	1 657,59	1 839,93	182,34	11,00%
100	2 310,29	2 564,42	254.13	11,00%

1.4.1.3 Sale of Electricity and Impact of Tariff Increases

For purposes of the MTREF Budget, the electricity tariff structure has been left unchanged. The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. Most of the suburbs and inner city reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

On 29 January 2015 NERSA distributed a guideline to all municipalities detailing the expected increase of bulk purchases which is to be effective from 1 July 2015.

The expected increase as communicated in the guidance is 14.24% for bulk purchases. It is envisaged that the municipality will increase its tariff by 12.2% across all categories in order to recover the increased bulk purchase cost as well as capital infrastructure costs for the electrification of informal settlements. NERSA is considering an application submitted by ESKOM for a further tariff hike for 2015/16 financial year and the outcome would be known by end of June 2015. If the additional tariff increase is granted the electricity tariff would have to be adjusted accordingly

It should be noted that given the magnitude of the tariff increases in the recent past, it is expected that the depressed growth in electricity consumption, which is having a negative impact on the municipality's revenue from electricity, will continue for the foreseeable future. This reduced consumption can be seen in terms of the amount of bulk purchases being made from Eskom reaching a plateau and showing reductions through changes in consumption patterns.

Registered indigents will again be subsidized for the first 50 kWh per 30-day period free of charge, while the discounted Life-Line tariff for the second 50 kWh per 30-day period is available to all registered indigents and pensioners.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

The institution is currently upgrading our electricity grid by building a new Queenspark Zoo Sub-station at a cost of R160 million to improve the energy capacity to the CBD and surrounding areas of East London central. This project is near completion. In addition to this, we are planning a bulk electricity infrastructure upgrade amounting to R650 million, for the entire BCMM area to improve reliability of supply of the BCMM network for both domestic and commercial consumers. This project will be implemented over a period of 20 years in accordance with the Electricity Master Plan.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2015/16 medium-term capital programme, own funding has been allocated to electricity infrastructure to the tune of R230 million over the MTREF period. This funding level is budgeted within the MTREF period with the express purposes of upgrading existing infrastructure assets with the goal of maintaining consistent supply that is within the control of the Municipality.

Table 10: Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current amount Payable R	Proposed amount payable R	Difference (Increase) R	%age change
100	158,75	178,11	19,37	12,20%
250	396,86	445,28	48,42	12,20%
500	793,73	890,56	96,83	12,20%
750	1 190,59	1 335,84	145,25	12,20%
1 000	1 587,45	1 781,12	193,67	12,20%
2 000	3 174,90	3 562,24	387,34	12,20%

1.4.1.4 Sanitation and Impact of Tariff Increases

A tariff increase of 9.5 % for sanitation from 1 July 2015 is proposed. Currently sanitation charges are calculated according to the relative size of the erf on which the property is

located. It is envisaged that future sanitation charges will be based on a percentage of water consumption, but first the large volumes of water losses will have to be brought under control.

The following table shows the impact of the proposed increases in annual tariffs on the sanitation charges for a single dwelling residence:

Table 11: Comparison between current sanitation charges and increases, single dwelling- residence (per annum)

Category	Current amount Payable	Proposed amount payable	Difference (Increase)	%age Change (Approximate)
	R	R	R	
Erf : 0 – 300m²	764	836.58	72.58	9,5%
Erf : 301 – 400m²	1 214	1329.33	115.33	9,5%
Flat : Complex	1924	2106.78	182.78	9,5%
Flat : Ordinary	2125	2326.88	201.88	9,5%
Flat : Semi	2125	2,326.88	201.88	9,5%
Cluster/Town Houses	2630	2,879.85	249.85	9,5%
Erf : 401 – 800m²	3160	3,460.20	300.20	9,5%
Erf : 801 – 1200m²	3411	3,735.05	324.05	9,5%
Erf : > 1200m²	3717	4,070.12	353.12	9,5%

1.4.1.5 Refuse Removal and Impact of Tariff Increases

It is widely accepted that the rendering of this service should at least break even, which continues to prove difficult to achieve considering affordability for the consumers. The City needs to implement the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. Efficiencies of staff performing the function continue to be a contributing factor as there is an increase in the cost of remuneration however this does not appear to be converting to refuse collection efficiencies. The on-going increase on repairs and maintenance for refuse trucks and increases in general expenditure such as fuel and hired plant. There will be more added focus by management over the MTREF period in an attempt to improve staff management and create efficiencies in this process. There is further investigation to create a transfer

station to reduce the costs of running the transport fleet. It needs to be noted that the institution has embarked on the purchase of wheelie bins for BCMM consumers and it is envisaged that this will improve the efficiencies of employees. These plans are currently at various stages of implementation. The city is in the process of constructing an additional landfill waste site and the rehabilitation of the existing landfill sites.

An increase of 9.5% in the refuse removal tariff is proposed from 1 July 2015. A further increase of 9.2% and 9% for the two outer years respectively are proposed.
The following table compares current and proposed amounts payable from 1 July 2015:

Table 12: Comparison between current refuse removal fees and increases

Category	Current amount Payable R	Proposed amount Payable R	Difference (Increase) R	%age Change
85ℓ Bins – Twice weekly	403	441.29	38.29	9,5%
240ℓ Bins – Once weekly	567	620.87	53.87	9,5%
240ℓ Bins – Twice weekly	1 134	1 241.73	107.73	9,5%
420ℓ Bins – Once weekly	991	1 085.15	94.15	9,5%
420ℓ Bins – Twice weekly	1 981	2 169.20	188.20	9,5%
1.1m³ Sprico – Once weekly	679	743.51	64.51	9,5%
1.1m³ Sprico – Twice weekly	1 354	1 482.63	128.63	9,5%
1.1m³ Sprico – Three x a week	2 036	2 229.42	193.42	9,5%
1.1m³ Sprico – Four x a week	2 709	2 966.36	257.36	9,5%
1.1m³ Sprico – Five x a week	3 386	3 707.67	321.67	9,5%

1.4.2 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 10%.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 9.90% increase from 1 July 2015 is contained below:

Table 13: SA14 – Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	468.10	525.67	588.25	1 028.13	1 028.13	1 028.13	9.9%	1 129.91	1 238.38	1 354.79
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	1 038.93	1 179.19	1 297.11	1 407.36	1 407.36	1 407.36	12.2%	1 579.06	1 771.70	1 987.85
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	277.35	319.36	368.39	423.46	423.46	423.46	11.0%	470.04	520.34	574.97
Sanitation	182.82	203.51	225.66	249.35	249.35	249.35	9.5%	273.04	298.16	324.99
Refuse removal	108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other	25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total	2 101.41	2 378.81	2 648.70	3 297.84	3 297.84	3 297.84	11.0%	3 659.73	4 055.52	4 490.13
VAT on Services	228.66	259.41	288.46	317.76	317.76	317.76	–	354.18	394.40	438.95
Total large household bill:	2 330.07	2 638.02	2 937.16	3 615.60	3 615.60	3 615.60	11.0%	4 013.91	4 449.92	4 929.08
% increase/-decrease		13.2%	11.3%	23.1%	–	–		11.0%	10.9%	10.8%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	73.98	83.08	92.97	274.17	274.17	274.17	9.9%	301.31	330.23	361.28
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	517.39	587.24	645.96	700.87	700.87	700.87	12.2%	786.37	882.31	989.95
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	217.59	250.55	289.01	332.22	332.22	332.22	11.0%	368.76	408.22	451.08
Sanitation	65.06	72.44	80.34	88.77	88.77	88.77	9.5%	97.21	106.15	115.70
Refuse removal	108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other	25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total	1 008.22	1 144.19	1 277.58	1 585.58	1 585.58	1 585.58	11.1%	1 761.33	1 953.84	2 165.53
VAT on Services	130.79	148.56	165.84	183.60	183.60	183.60	–	204.40	227.31	252.60
Total small household bill:	1 139.01	1 292.74	1 443.42	1 769.16	1 769.16	1 769.16	11.1%	1 965.73	2 181.15	2 418.13
% increase/-decrease		13.5%	11.7%	22.6%	–	–		11.1%	11.0%	10.9%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	73.98	83.08	92.97	103.66	103.66	103.66	9.9%	113.92	124.86	136.60
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	37.67	42.76	47.04	51.03	51.03	51.03	12.2%	57.26	64.25	72.08
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	39.07	44.98	51.89	59.65	59.65	59.65	11.0%	66.21	73.29	80.99
Sanitation	65.06	72.44	80.34	88.77	88.77	88.77	9.5%	97.21	106.15	115.70
Refuse removal	108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other	25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total	349.99	394.15	441.53	492.66	492.66	492.66	10.1%	542.28	595.48	652.90
VAT on Services	38.64	43.55	48.80	54.46	54.46	54.46	–	59.97	65.89	72.28
Total small household bill:	388.63	437.70	490.33	547.12	547.12	547.12	10.1%	602.25	661.37	725.18
% increase/-decrease		12.6%	12.0%	11.6%	–	–		10.1%	9.8%	9.6%

1.5 OPERATING EXPENDITURE FRAMEWORK

The City's expenditure framework for the 2015/16 budget and MTREF is informed by Section 18 and 19 of the MFMA. The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 14: Table A4 - Summary of operating expenditure classification by type

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type										
Employee related costs	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Remuneration of councillors	42 966	43 331	45 261	52 254	52 254	52 254	52 254	52 910	56 614	60 577
Debt impairment	58 207	106 770	241 011	203 074	187 074	187 074	187 074	245 009	273 185	305 968
Depreciation & asset impairment	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Finance charges	70 499	67 259	65 777	59 248	59 248	59 248	59 248	54 313	49 286	44 055
Bulk purchases	915 387	1 040 113	1 110 464	1 201 856	1 214 784	1 214 784	1 214 784	1 377 012	1 561 480	1 771 286
Other materials	-	-	-	-	-	-	-	-	-	-
Contracted services	6 840	7 763	9 743	19 909	14 944	14 944	14 944	21 622	23 481	25 453
Transfers and grants	99 235	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 382	305 855
Other expenditure	819 863	928 261	1 096 168	1 062 130	1 215 362	1 215 362	1 215 362	1 609 419	1 800 222	1 800 361
Loss on disposal of PPE	7 547	8 657	11 041	-	-	-	-	-	-	-
Total Expenditure	3 652 611	3 985 249	4 497 830	4 749 700	4 890 429	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014
Surplus/(Deficit)	(223 302)	(53 869)	(55 931)	11 640	(18 672)	(18 672)	(18 672)	922	2 081	837
Transfers recognised - capital	186 251	510 296	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Contributions recognised - capital	730	-	-	-	459	459	459	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Share of surplus/ (deficit) of associate	(12 088)	5 326	54 223	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(48 408)	461 753	732 795	712 422	702 187	702 187	702 187	851 275	926 800	977 780

The following figure gives a breakdown of the main expenditure categories for the 2015/16 financial year:

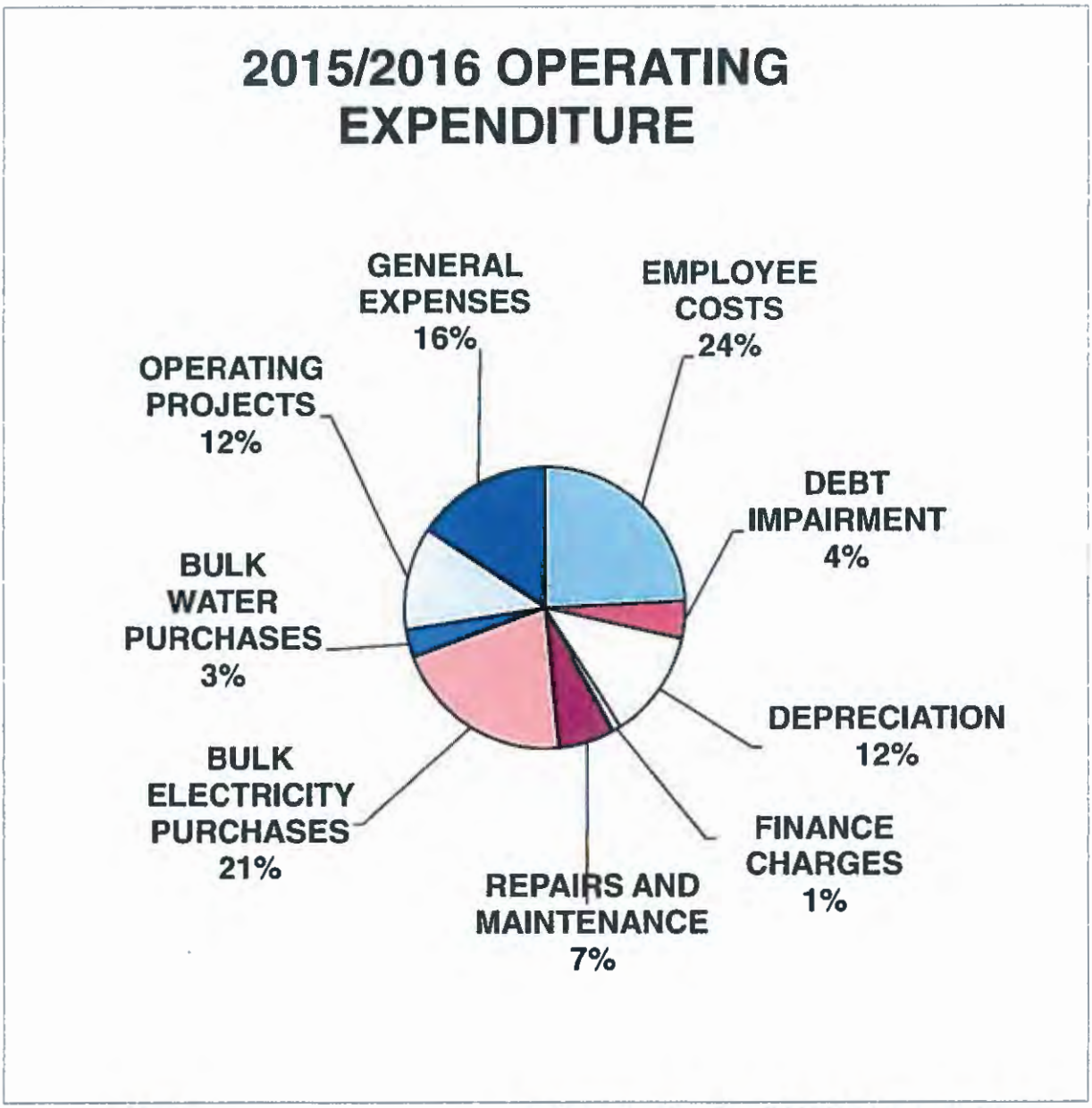


Figure 5: Main operational expenditure categories for the 2015/16 financial year

Employee Costs equates to 24% of the total operating costs and is below the norm of 25% to 40% as per MFMA Circular 71 guideline. Salaries have been increased by CPI (e.g. 5.6% in 2015/16) in line with MFMA Circular 75 guideline.

Remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

The **provision of debt impairment** has been determined based on an annual collection rate. For the 2015/16 financial year this amounts to R245 million and escalates to R306 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R712 million for the 2015/16 financial year and equates to 12% of the total operating expenditure. Infrastructure assets are by far the most significant value of the Statement of Financial Position of the institution and is where the most significant amount of the institutions resources is expended. As such the institution has made a strategic decision to actively manage its infrastructure assets by ensuring all new infrastructure commitments are made in line with the Metro Growth and Development Strategy.

It needs to be recognised that the institution has adopted the revaluation accounting approach for roads infrastructure assets. The main reason for the decision is to ensure the future viability of the institution by allowing for the future replacement of these significant long term assets.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1% (R54 million) of operating expenditure excluding annual redemption for 2015/16.

Bulk purchases are directly informed by the purchase of electricity from Eskom (equates to 21% of total operating expenditure) and water from Amatola Water (equals to 3% of

total operating expenditure). The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. In order to comply with the provisions of circular 70 guiding principles as issued by National Treasury, the institution undertook a line by line analysis of expenditure in an attempt to improve efficiencies. This resulted in a significant reduction in general expenses attributable to cuts in telephone expenditure, consultant expenditure and efficiencies expected through the implementation of various projects including E-Fuel and EDMS.

1.5.1 Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the assent maintenance area as informed the City's asset renewal strategy and repairs & maintenance plan.

Repairs and maintenance budget is currently 7% of the total Operating Expenditure Budget. The City is striving towards a 10% repairs and maintenance of its total operating budget owing to the aging of the City's infrastructure and historic deferred maintenance. The city has embarked on a programme to replace existing infrastructure assets which have almost reached and/or exceeded their useful lives and will be funded from own funds. The institution has identified a historical funding shortfall associated with the replacement of existing infrastructure assets and in an attempt to alleviate the shortfall, USDG funding will be utilized to replace existing infrastructure. Furthermore, the institution will ensure that surplus budgets are prepared beyond the MTREF period to fund both existing infrastructure replacement as well as new infrastructure expansion.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the City's Indigent Policy. The target is to register 50 000

or more indigent households (urban areas) by end of 2015/16 financial year, this process is reviewed annually. It should however be noted that although this is a goal from a social perspective, it is an indicator of the overall strategic direction of the institution not being achieved. The institution is attempting to steer in the direction of economic growth and job creation. This target is contrary to that focus area.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The following table provide a breakdown of the current and proposed total poor relief package per indigent household:

Table 15: Basic social services package per indigent household

	Total Per Household 2014/2015	Total Per Household 2015/2016	Total Per Household 2016/2017	Total Per Household 2017/2018
Rates	**103.66**	**113.92**	**124.86**	**136.60**
Refuse	**155.93**	**170.74**	**186.45**	**203.23**
Sewerage	**88.78**	**97.21**	**106.15**	**115.71**
Fire Levy	**33.62**	**36.94**	**40.49**	**44.30**
Total Monthly Subsidy	**381.98**	**418.82**	**457.95**	**499.83**
Electricity - 50kwh p.m	**51.03**	**57.26**	**64.25**	**72.08**
Water - 6kl p.m.	**59.65**	**66.21**	**73.29**	**80.99**
Total Poor Relief	**492.66**	**542.28**	**595.49**	**652.90**

It needs to be recognised that the DoRA allocation is showing a reducing trend through the MTREF period commencing with R655.1 million in 2015/16 reducing to R649.4 million in 2017/18. This reduction in equitable share will place additional pressure on the institution to generate internal funds to continue maintaining indigent subsidies at the above levels.

1.6 CAPITAL EXPENDITURE FRAMEWORK

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 16: Table A5 2015/16 Medium-term capital budget per vote, standard classification and funding

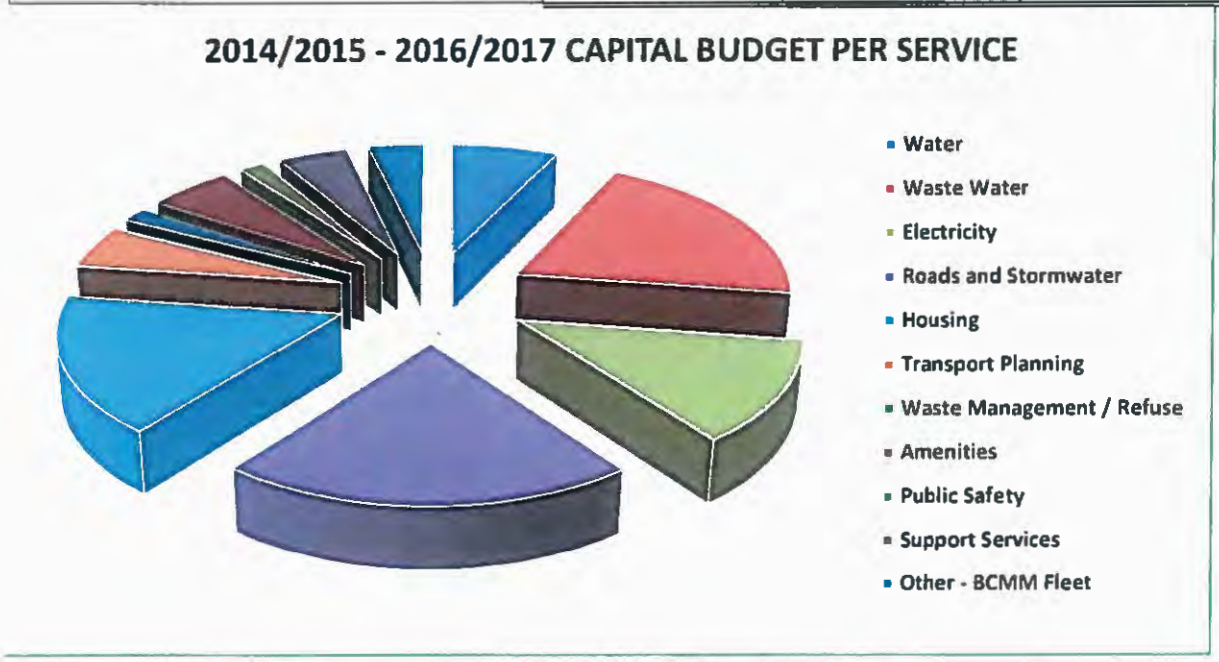
Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote										
Multi-year expenditure *to be appropriated*										
Vote 1 - Directorate - Executive Support Service	2 416	622	2 290	500	6 729	6 729	6 729	6 200	500	500
Vote 2 - Directorate - Municipal Manager	–	–	–	7 000	6 500	6 500	6 500	21 500	31 891	37 820
Vote 3 - Directorate - Chief Operations Officer	48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Vote 4 - Directorate - Chief Financial Officer	30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Vote 5 - Directorate - Corporate Services	–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Vote 6 - Directorate - Engineering Services	138 192	402 618	648 609	665 600	768 226	768 226	768 226	820 556	713 276	751 198
Vote 7 - Directorate - Development Planning	23 503	101 455	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Vote 8 - Directorate - Health & Public Safety	6 610	6 358	14 385	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Vote 9 - Directorate - Community Services	15 962	20 255	85 195	86 530	130 323	130 323	130 323	94 204	57 662	86 285
Capital multi-year expenditure sub-total	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Total Capital Expenditure - Vote	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Capital Expenditure - Standard										
Governance and administration	**32 949**	**26 110**	**43 749**	**34 950**	**47 597**	**47 597**	**47 597**	**59 300**	**63 091**	**49 329**
Executive and council	2 416	622	2 290	7 500	13 229	13 229	13 229	27 700	32 391	38 329
Budget and treasury office	30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Corporate services	–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Community and public safety	**13 847**	**44 632**	**60 197**	**140 467**	**208 795**	**208 795**	**208 795**	**305 568**	**394 150**	**494 520**
Community and social services	5 141	–	4 147	12 500	16 223	16 223	16 223	40 269	17 500	46 460
Sport and recreation	1 849	1 582	2 343	28 030	21 516	21 516	21 516	32 225	24 750	38 825
Public safety	5 973	6 358	13 732	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Housing	48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Health	837	–	653	–	–	–	–	–	–	–
Economic and environmental services	**28 217**	**246 316**	**357 416**	**262 895**	**390 442**	**390 442**	**390 442**	**333 221**	**423 611**	**449 922**
Planning and development	10 585	101 008	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Road transport	17 276	143 551	280 275	198 000	327 199	327 199	327 199	265 000	260 000	224 900
Environmental protection	356	1 757	44 207	10 000	11 700	11 700	11 700	–	–	–
Trading services	**142 095**	**275 981**	**382 380**	**503 196**	**521 410**	**521 410**	**521 410**	**529 266**	**450 688**	**496 798**
Electricity	48 802	65 683	106 855	152 999	144 756	144 756	144 756	158 500	171 500	111 500
Water	63 583	71 359	98 505	97 689	96 898	96 898	96 898	91 000	91 000	91 000
Waste water management	22 982	122 022	162 523	216 508	198 873	198 873	198 873	258 056	172 776	293 298
Waste management	6 728	16 916	14 497	36 000	80 884	80 884	80 884	21 710	15 412	1 000
Other	**355**	**447**	**452**	**500**	**500**	**500**	**500**	**48 000**	**18 000**	**30 500**
Total Capital Expenditure - Standard	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Funded by:										
National Government	144 991	515 570	734 503	671 925	664 712	664 712	664 712	742 884	818 419	911 943
Provincial Government	6 010	–	–	28 857	55 688	55 688	55 688	107 469	106 300	65 000
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**151 001**	**515 570**	**734 503**	**700 782**	**720 400**	**720 400**	**720 400**	**850 353**	**924 719**	**976 943**
Public contributions & donations	730	–	–	–	459	459	459	–	–	–
Borrowing	17 674	18 146	–	–	–	–	–	–	–	–
Internally generated funds	48 059	59 769	109 692	241 226	447 886	447 886	447 886	425 002	424 821	544 126
Total Capital Funding	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**

The budget for capital programme is R1.28 billion in the 2015/16 financial year, R1.35 billion and R1.52 billion in the 2016/17 and 2017/18 financial years respectively.

It is pleasing to note the BCMM's capital budget has increased by 9% compared to the 2014/15 revised budget. It is also showing an increasing trend from 2015/16 to 2017/18 financial year.

Table 17: List of Key Projects Per Service

Services	2015/2016 Draft Capital Budget	2016/2017 Draft Capital Budget	2017/2018 Draft Capital Budget
Water	91 000 000	91 000 000	91 000 000
Waste Water	258 055 969	172 276 007	293 298 430
Electricity	158 500 000	171 500 000	111 500 000
Roads and Stormwater	265 000 000	260 000 000	224 900 000
Housing	211 424 000	323 359 685	386 579 685
Transport Planning	68 220 661	163 611 051	225 022 000
Waste Management / Refuse	21 710 100	15 412 415	1 000 000
Amenities	72 493 500	41 750 000	84 785 000
Public Safety	21 650 000	28 540 000	22 655 000
Support Services	59 300 000	64 091 000	50 329 000
Other - BCM Fleet	48 000 000	18 000 000	30 000 000
	1 275 354 230	**1 349 540 158**	**1 521 069 115**



For the 2015/16 financial year an amount of R258 million has been appropriated for the waste water infrastructure, R265 million for roads transport, R207 million for electricity and R91 million for water. These infrastructure programs represent 64% of the total capital budget. Further breakdown of the capital budget is detailed in table 20 below.

Renewal of existing assets represent 58.4% (R745 million) of the total capital budget while new asset renewal equates to 41.6% (R530 million) in the 2015/16 financial year. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR Table A9, MBRR Tables SA34a, b provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

The following are some of the major projects to be undertaken in the medium-term amongst others:

- **Electricity**

The institution is currently upgrading our electricity grid by building a new Queens Park Zoo Sub-station at a cost of R160 million to improve the energy capacity to the CBD and surrounding areas of East London central. This project is near completion. In addition to this, we are planning a bulk electricity infrastructure upgrade amounting to R650 million, for the entire BCMM area to improve reliability of supply of the BCMM network for both domestic and commercial consumers. This project will be implemented over a period of 20 years in accordance with the Electricity Master Plan. An amount of R90 million has been allocated from own funding for upgrading of existing infrastructure in the 2015/16 financial year. An amount of R18.5 million has been allocated for electrification, street lighting and high mast in BCMM informal dwelling.

- **Sanitation**

A massive multi-year upgrading project of the Umzonyana Treatment Works as part of the wastewater improvement process to the value of approximately R250 million is

underway. It is envisaged that this will provide capacity to produce treated water for the supply zone that includes East London CBD and West Bank, potentially covering the proposed Rocklyff development. The work which is currently underway is the electrical, civil and mechanical engineering works and this project is planned to be completed in 2016/17.

The Zwelitsha Waste Water Treatment Works Upgrade, estimated to cost us R216 million will provide a centralized regional treatment facility for the Inland Region which will service the domestic and business community from Bhisho, Breidbach, Zwelitsha, Phakamisa, Schornville, Ginsberg, etc. The first phase of this project is expected to be completed in 2015/16. The project is divided into 6 phases, the final phase of which is expected to be completed in 2017/18.

This infrastructure investment continues to be a prerequisite for the construction of the R2 billion Provincial Government Office precinct in Bhisho and will contribute to the integration of King Williams Town and Bhisho.

A continuing challenge plaguing the city is the ever increasing cost of maintaining our existing infrastructure. This is due to a number of contributing factors, including urban migration which results in people seeking work opportunities in the city. Our road infrastructure is under immense pressure from heavy duty trucks that go through the city en route to either Port Elizabeth, Cape Town, Mthatha or Durban. In a focused effort to improve the quality of the roads, maintenance will be undertaken in line with service maintenance plans which are envisaged to be ongoing.

- **ROADS**

The upgrading of Mdantsane Road is continuing and has been allocated a budget of R154 million over the MTREF period. The Quenera Beacon Bay Link Road is also continuing and has been allocated a budget of R120 million. Fleet Street upgrade is also progressing and an amount of R50 million has been allocated in the 2015/16 financial year. KWT roads upgrade have been allocated R10 million in the 2015/16 financial year. An amount of R15 million has been set aside for RDP roads in the 2015/16 financial year. An allocation of R80 million from own funds has been made for upgrading various existing roads.

1.7 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the BCMM's 2015/16 budget and MTREF as approved by the Council. BCMM's entity, BCDA is currently not operational though the Board of Directors have been constituted. The board is currently in the process of recruiting staff undertake critical positions of the entity. As a result no budget has been prepared for the entity and BCMM has allocated a grant to BCDA for operational costs.

Table 18: MBRR Table A1 – Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	533 514	580 100	672 957	797 160	813 811	813 811	813 811	903 413	989 526	1 081 778
Service charges	1 754 711	1 985 059	2 196 960	2 420 088	2 411 705	2 411 705	2 411 705	2 686 741	2 990 413	3 326 574
Investment revenue	58 737	83 980	96 477	77 491	77 491	77 491	77 491	133 620	137 409	141 311
Transfers recognised - operational	724 170	723 457	812 167	828 531	929 301	929 301	929 301	1 249 333	1 342 793	1 245 686
Other own revenue	369 177	578 783	661 338	638 051	639 450	639 450	639 450	746 500	790 892	835 502
Total Revenue (excluding capital transfers and contributions)	3 429 309	3 931 380	4 441 809	4 761 341	4 871 758	4 871 758	4 871 758	5 719 607	6 251 033	6 630 850
Employee costs	956 386	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Remuneration of councillors	42 966	43 331	45 261	52 254	52 254	52 254	52 254	52 910	56 814	60 577
Depreciation & asset impairment	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Finance charges	70 499	67 259	65 777	59 248	59 248	59 248	59 248	54 313	49 286	44 055
Materials and bulk purchases	915 387	1 040 113	1 110 464	1 201 850	1 214 784	1 214 784	1 214 784	1 377 012	1 501 480	1 771 286
Transfers and grants	99 235	99 031	144 057	204 013	195 638	195 638	195 638	258 568	281 382	305 855
Other expenditure	892 456	1 051 451	1 357 983	1 285 114	1 417 379	1 417 379	1 417 379	1 876 050	2 096 889	2 131 782
Total Expenditure	3 652 611	3 885 249	4 497 830	4 749 700	4 890 429	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014
Surplus/(Deficit)	(223 302)	(53 869)	(55 831)	11 640	(18 672)	(18 672)	(18 672)	922	2 081	837
Transfers recognised - capital	186 251	510 296	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Contributions recognised - capital & contributed a	730	–	–	–	459	459	459	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Share of surplus/ (deficit) of associate	(12 088)	5 326	54 223	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(48 408)	461 753	732 795	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Capital expenditure & funds sources										
Capital expenditure	217 464	593 465	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069
Transfers recognised - capital	151 001	515 570	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Public contributions & donations	730	–	–	–	459	459	459	–	–	–
Borrowing	17 674	18 146	–	–	–	–	–	–	–	–
Internally generated funds	48 059	59 769	109 692	241 226	447 886	447 886	447 886	425 002	424 821	544 126
Total sources of capital funds	217 464	593 465	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069
Financial position										
Total current assets	2 134 391	2 586 478	2 846 977	2 651 937	2 398 235	2 398 235	2 009 510	3 250 381	3 345 898	3 515 808
Total non current assets	10 621 914	10 483 393	10 775 303	12 429 377	12 429 377	12 429 377	11 097 270	11 706 711	12 368 876	13 176 505
Total current liabilities	1 384 879	1 261 827	1 086 772	985 433	985 433	985 433	985 433	1 026 227	1 051 009	1 110 342
Total non current liabilities	1 011 696	978 533	988 124	1 091 135	1 091 135	1 091 135	1 091 135	1 099 508	1 108 509	1 126 231
Community wealth/Equity	10 359 930	10 809 511	11 545 384	13 004 746	12 751 044	12 751 044	11 030 212	12 831 357	13 555 056	14 455 741
Cash flows										
Net cash from (used) operating	597 097	1 170 732	1 450 960	1 439 866	1 412 901	1 412 901	1 412 901	1 350 929	1 438 217	1 523 370
Net cash from (used) investing	(215 310)	(580 286)	(842 058)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 060)
Net cash from (used) financing	399 970	(265 100)	(293 793)	(54 633)	(54 633)	(54 633)	(54 633)	(46 007)	(50 709)	110 181
Cash/cash equivalents at the year end	1 521 869	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Cash backing/surplus reconciliation										
Cash and investments available	1 522 826	1 844 207	2 164 433	1 313 269	1 059 567	1 059 567	1 059 567	2 383 434	2 421 401	2 533 883
Application of cash and investments	741 049	431 326	251 946	(423 405)	(423 427)	(423 427)	(82 732)	70 979	20 423	23 189
Balance - surplus (shortfall)	781 777	1 412 881	1 912 487	1 736 674	1 482 994	1 482 994	1 122 299	2 312 455	2 394 978	2 510 694
Asset management										
Asset register summary (WDV)	11 893 707	10 536 394	10 450 676	12 360 087	12 541 311	12 541 311	11 501 014	11 501 014	12 600 383	14 160 742
Depreciation & asset impairment	675 702	701 504	644 163	710 000	710 000	710 000	712 213	712 213	738 315	770 090
Renewal of Existing Assets	–	–	–	530 821	621 972	821 972	821 972	745 427	622 681	730 098
Repairs and Maintenance	219 321	263 702	285 686	332 249	327 749	327 749	372 010	372 010	416 995	450 612
Free services										
Cost of Free Basic Services provided	116 562	117 713	142 234	186 713	186 713	186 713	227 105	227 105	249 883	274 574
Revenue cost of free services provided	145 766	148 629	184 335	241 075	241 075	241 075	302 412	302 412	332 419	364 868
Households below minimum service level										
Water	7	4	4	4	3	2	2	2	1	1
Sanitation/sewerage	48	4	44	41	39	37	19	19	19	19
Energy	–	–	–	–	–	–	–	–	–	–
Refuse	2	2	2	2	2	2	2	2	2	2

2057

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The municipality's budget is fully funded and cash-backed and will be generating a surplus in the two outer years of the MTREF period to ensure a more balanced funding mix for capital projects.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic

Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs

Table 19: MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**1 198 653**	**1 526 711**	**1 725 120**	**1 769 219**	**1 789 680**	**1 789 680**	**1 974 740**	**2 042 158**	**2 136 732**
Executive and council	23 219	(2 424)	21 185	34 833	35 333	35 333	37 902	31 148	31 148
Budget and treasury office	1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
Corporate services	6 033	7 243	9 277	14 635	18 472	18 472	14 019	15 498	17 401
Community and public safety	**207 958**	**190 460**	**328 725**	**215 350**	**312 523**	**312 523**	**651 123**	**772 302**	**678 797**
Community and social services	18 230	19 163	64 143	19 285	19 593	19 593	17 738	19 103	20 570
Sport and recreation	2 664	3 858	4 976	5 179	5 179	5 179	5 601	6 139	6 718
Public safety	65 904	75 229	84 165	82 659	83 882	83 882	90 035	98 656	107 907
Housing	46 016	90 358	173 882	105 580	201 328	201 328	535 206	645 859	541 057
Health	75 144	1 851	1 559	2 648	2 541	2 541	2 542	2 544	2 545
Economic and environmental services	**118 898**	**295 653**	**381 872**	**94 341**	**95 507**	**95 507**	**97 752**	**106 838**	**116 577**
Planning and development	29 839	103 362	47 958	24 323	25 382	25 382	21 272	23 282	25 438
Road transport	88 332	191 943	332 638	69 658	69 658	69 658	76 096	83 145	90 701
Environmental protection	727	348	1 275	361	468	468	385	411	438
Trading services	**2 077 263**	**2 412 458**	**2 752 896**	**2 660 510**	**2 652 127**	**2 652 127**	**2 972 019**	**3 303 511**	**3 670 108**
Electricity	1 199 545	1 345 538	1 509 239	1 574 260	1 541 060	1 541 060	1 726 439	1 934 425	2 167 768
Water	327 477	401 252	454 907	442 171	442 171	442 171	492 088	546 275	605 470
Waste water management	302 258	388 639	469 987	316 424	331 702	331 702	392 460	428 549	467 106
Waste management	247 983	277 030	318 764	327 654	337 194	337 194	361 032	394 263	429 764
Other	**15 178**	**16 419**	**18 805**	**722 702**	**742 779**	**742 779**	**874 327**	**950 943**	**1 005 579**
Total Revenue - Standard	**3 617 949**	**4 441 701**	**5 207 419**	**5 462 122**	**5 592 616**	**5 592 616**	**6 569 960**	**7 175 752**	**7 607 793**
Expenditure - Standard									
Governance and administration	**832 595**	**698 952**	**852 728**	**917 021**	**935 985**	**935 985**	**1 087 762**	**1 130 419**	**1 159 608**
Executive and council	302 757	143 834	113 452	177 175	170 359	170 359	194 037	198 078	206 862
Budget and treasury office	308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
Corporate services	221 044	250 401	273 609	358 231	377 377	377 377	426 767	449 812	461 856
Community and public safety	**406 342**	**435 486**	**513 237**	**516 563**	**610 417**	**610 417**	**989 070**	**1 157 225**	**1 082 404**
Community and social services	73 864	76 645	82 725	91 962	90 871	90 871	93 320	125 782	129 465
Sport and recreation	58 460	71 465	84 128	67 077	65 959	65 959	74 147	79 494	84 789
Public safety	158 301	169 684	190 274	198 663	200 545	200 545	219 275	232 402	246 842
Housing	52 083	89 318	128 197	128 988	223 207	223 207	571 731	687 587	587 476
Health	63 634	28 375	27 913	29 873	29 835	29 835	30 598	31 959	33 832
Economic and environmental services	**509 920**	**721 695**	**723 547**	**822 108**	**846 889**	**846 889**	**843 333**	**800 473**	**917 779**
Planning and development	162 364	178 110	192 670	202 735	225 129	225 129	213 708	227 277	343 072
Road transport	270 558	462 774	435 262	529 388	528 829	528 829	527 886	466 359	461 681
Environmental protection	76 998	80 812	95 615	89 985	92 931	92 931	101 739	106 837	113 027
Trading services	**1 904 399**	**2 109 699**	**2 371 377**	**2 478 114**	**2 481 189**	**2 481 189**	**2 781 669**	**3 143 006**	**3 451 272**
Electricity	1 070 704	1 230 196	1 314 438	1 410 105	1 407 174	1 407 174	1 625 904	1 853 382	2 087 337
Water	390 798	387 718	461 736	444 307	444 941	444 941	503 337	565 376	619 695
Waste water management	253 738	280 290	317 803	333 144	337 741	337 741	362 232	408 524	414 504
Waste management	189 159	211 496	277 399	290 558	291 333	291 333	290 196	315 723	329 736
Other	**13 102**	**14 116**	**13 736**	**15 895**	**15 949**	**15 949**	**16 851**	**17 829**	**18 951**
Total Expenditure - Standard	**3 666 357**	**3 979 949**	**4 474 624**	**4 749 700**	**4 890 429**	**4 890 429**	**5 718 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit) for the year	**(48 408)**	**461 753**	**732 795**	**712 422**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**

Explanatory notes to MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Total Revenue on this table includes capital revenues (Transfers recognised – capital).
3. As a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Waste Water Management and Waste Management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Water Services reflects a deficit which is cross-subsidized from rates and electricity in the 2014/15 financial year.

Table 20: MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Directorate - Executive Support Service	3 742	1 104	251	979	1 336	1 336	–	–	–
Vote 2 - Directorate - Municipal Manager	212	3 296	21 135	34 833	35 333	35 333	37 902	31 148	31 148
Vote 3 - Directorate - Chief Operations Officer	46 249	90 611	174 742	109 776	206 619	206 619	535 206	645 859	541 057
Vote 4 - Directorate - Chief Financial Officer	1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
Vote 5 - Directorate - Corporate Services	3 250	5 155	7 270	8 309	8 309	8 309	11 851	13 144	14 846
Vote 6 - Directorate - Engineering Services	1 870 922	2 279 385	2 718 289	2 335 908	2 317 985	2 317 985	2 614 132	2 912 495	3 243 700
Vote 7 - Directorate - Development Planning	46 746	122 390	69 005	54 774	55 719	55 719	55 515	60 751	66 363
Vote 8 - Directorate - Health & Public Safety	185 754	123 195	132 865	144 532	145 648	145 648	157 427	172 209	188 063
Vote 9 - Directorate - Community Services	269 755	300 399	389 158	352 479	364 934	364 934	384 756	419 915	457 490
Vote 10 - Directorate - Miscellaneous	21 919	(5 726)	45	700 782	720 859	720 859	850 353	924 719	976 943
Total Revenue by Vote	**3 617 949**	**4 441 701**	**5 207 419**	**5 462 122**	**5 592 616**	**5 592 616**	**6 569 960**	**7 175 752**	**7 807 793**
Expenditure by Vote *to be appropriated*									
Vote 1 - Directorate - Executive Support Service	106 744	126 799	150 857	155 549	166 677	166 677	164 414	173 903	180 059
Vote 2 - Directorate - Municipal Manager	35 239	59 650	76 810	90 018	94 264	94 264	102 124	101 381	105 442
Vote 3 - Directorate - Chief Operations Officer	58 585	95 581	135 916	141 207	236 700	236 700	582 205	698 678	599 180
Vote 4 - Directorate - Chief Financial Officer	308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
Vote 5 - Directorate - Corporate Services	88 825	98 171	106 354	161 132	164 015	164 015	214 533	218 319	224 865
Vote 6 - Directorate - Engineering Services	1 999 131	2 376 481	2 545 434	2 737 758	2 741 415	2 741 415	3 046 354	3 327 251	3 613 566
Vote 7 - Directorate - Development Planning	198 318	217 819	238 320	257 831	278 824	278 824	274 508	293 150	414 553
Vote 8 - Directorate - Health & Public Safety	243 535	220 959	243 319	260 864	261 778	261 778	283 787	300 507	319 145
Vote 9 - Directorate - Community Services	421 644	464 772	566 536	563 726	558 507	558 507	582 239	651 647	680 699
Vote 10 - Directorate - Miscellaneous	205 544	15 001	(54 589)	0	0	0	1 565	1 586	1 614
Total Expenditure by Vote	**3 666 357**	**3 979 949**	**4 474 624**	**4 749 700**	**4 890 429**	**4 890 429**	**5 719 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit) for the year	**(48 408)**	**461 753**	**732 795**	**712 422**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 21: MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type										
Employee related costs	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Remuneration of councillors	42 966	43 331	45 261	52 254	52 254	52 254	52 254	52 910	56 614	60 577
Debt impairment	58 207	106 770	241 011	203 074	187 074	187 074	187 074	245 009	273 185	305 968
Depreciation & asset impairment	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Finance charges	70 499	67 259	65 777	59 248	59 248	59 248	59 248	54 313	49 286	44 055
Bulk purchases	915 387	1 040 113	1 110 464	1 201 856	1 214 784	1 214 784	1 214 784	1 377 012	1 561 480	1 771 286
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	6 840	7 763	9 743	19 909	14 944	14 944	14 944	21 622	23 481	25 453
Transfers and grants	99 235	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 382	305 855
Other expenditure	819 863	928 261	1 096 168	1 062 130	1 215 362	1 215 362	1 215 362	1 609 419	1 800 222	1 800 361
Loss on disposal of PPE	7 547	8 657	11 041	–	–	–	–	–	–	–
Total Expenditure	**3 652 611**	**3 985 249**	**4 497 830**	**4 749 700**	**4 890 429**	**4 890 429**	**4 890 429**	**5 718 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit)	**(223 302)**	**(53 869)**	**(55 931)**	**11 640**	**(18 672)**	**(18 672)**	**(18 672)**	**922**	**2 081**	**837**
Transfers recognised - capital	186 251	510 296	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Contributions recognised - capital	730	–	–	–	459	459	459	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(36 320)**	**456 427**	**678 572**	**712 422**	**702 187**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**(36 320)**	**456 427**	**678 572**	**712 422**	**702 187**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**(36 320)**	**456 427**	**678 572**	**712 422**	**702 187**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**
Share of surplus/ (deficit) of associate	(12 088)	5 326	54 223	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**(48 408)**	**461 753**	**732 795**	**712 422**	**702 187**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**

Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R5.7 billion in 2015/16 and escalates to R6.6 billion by 2017/18. This represents a year-on-year increase of 17 % for the 2015/16 financial year and 9% for the 2016/17 financial year.
2. Revenue to be generated from property rates is R935.8 million in the 2015/16 financial year and increases to R1.1 billion by 2017/18 which represents 16% of the operating revenue base of the City and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 9.6% and 9.4% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R2.7 billion for the 2015/16 financial year and increasing to R3.3 billion by 2017/18. For the 2015/16 financial year services charges amount to 47% of the total revenue base and fluctuates by 3% per annum over the medium-term between 47% and 50%. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grant receipts from national government increased by 34% and 7% in the 2015/16 and 2016/17 financial year respectively, however then decreases by 7% for the 2017/18 financial year.
4. Bulk purchases have increased from 2014/15 financial year as a result of increased consumption in the 2015/16 financial year. The amount has increased over the 2015/16 to 2017/18 period escalating from R1.4 billion to R1.8 billion. These average increases of 14% can be attributed to the increase in the cost of bulk electricity from Eskom and water from Amatola Water.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality. The institution has attempted to identify operational efficiencies in other expenditure items by undertaking a line by line analysis to determine where budgeted expenditure can be reduced. This has yielded beneficial results in that general

expenditure has been reduced with the largest impact being plant hire and consultants. Ongoing operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 22: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote										
Multi-year expenditure *to be appropriated*										
Vote 1 - Directorate - Executive Support Services	2 416	622	2 290	500	6 729	6 729	6 729	6 200	500	500
Vote 2 - Directorate - Municipal Manager	–	–	–	7 000	6 500	6 500	6 500	21 500	31 891	37 829
Vote 3 - Directorate - Chief Operations Officer	48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Vote 4 - Directorate - Chief Financial Officer	30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Vote 5 - Directorate - Corporate Services	–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Vote 6 - Directorate - Engineering Services	138 192	402 616	648 609	665 696	768 226	768 226	768 226	820 556	713 276	751 198
Vote 7 - Directorate - Development Planning	23 503	101 455	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Vote 8 - Directorate - Health & Public Safety	6 810	6 358	14 385	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Vote 9 - Directorate - Community Services	15 962	20 255	65 195	86 530	130 323	130 323	130 323	94 204	57 662	86 285
Capital multi-year expenditure sub-total	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Total Capital Expenditure - Vote	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Capital Expenditure - Standard										
Governance and administration	**32 949**	**26 110**	**43 749**	**34 950**	**47 597**	**47 597**	**47 597**	**59 300**	**63 091**	**49 329**
Executive and council	2 416	622	2 290	7 500	13 229	13 229	13 229	27 700	32 391	38 329
Budget and treasury office	30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Corporate services	–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Community and public safety	**13 847**	**44 632**	**60 197**	**140 467**	**208 795**	**208 795**	**208 795**	**305 568**	**394 150**	**494 520**
Community and social services	5 141	–	4 147	12 500	16 223	16 223	16 223	40 269	17 500	46 460
Sport and recreation	1 849	1 582	2 343	28 030	21 516	21 516	21 516	32 225	24 750	38 825
Public safety	5 973	6 358	13 732	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Housing	48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Health	837	–	653	–	–	–	–	–	–	–
Economic and environmental services	**28 217**	**246 316**	**357 416**	**262 895**	**390 442**	**390 442**	**390 442**	**333 221**	**423 611**	**449 922**
Planning and development	10 585	101 008	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Road transport	17 276	143 551	280 275	198 000	327 199	327 199	327 199	265 000	260 000	224 900
Environmental protection	356	1 757	44 207	10 000	11 700	11 700	11 700	–	–	–
Trading services	**142 095**	**275 981**	**382 380**	**503 196**	**521 410**	**521 410**	**521 410**	**529 266**	**450 688**	**496 798**
Electricity	48 802	65 683	106 855	152 999	144 756	144 756	144 756	158 500	171 500	111 500
Water	63 583	71 359	98 505	97 689	96 898	96 898	96 898	91 000	91 000	91 000
Waste water management	22 982	122 022	162 523	216 508	198 873	198 873	198 873	258 056	172 776	293 298
Waste management	6 728	16 916	14 497	36 000	80 884	80 884	80 884	21 710	15 412	1 000
Other	**355**	**447**	**452**	**500**	**500**	**500**	**500**	**48 000**	**18 000**	**30 500**
Total Capital Expenditure - Standard	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Funded by:										
National Government	144 991	515 570	734 503	671 925	664 712	664 712	664 712	742 884	818 419	911 943
Provincial Government	6 010	–	–	28 857	55 688	55 688	55 688	107 469	106 300	65 000
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**151 001**	**515 570**	**734 503**	**700 782**	**720 400**	**720 400**	**720 400**	**850 353**	**924 719**	**976 943**
Public contributions & donations	730	–	–	–	459	459	459	–	–	–
Borrowing	17 674	18 146	–	–	–	–	–	–	–	–
Internally generated funds	48 059	59 769	109 692	241 226	447 686	447 686	447 686	425 002	424 821	544 126
Total Capital Funding	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**

Explanatory notes to MBRR Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R1.2 billion has been allocated. This allocation increases to R1.3 billion in 2015/16 and then steadily increases to R1.5 billion in 2017/18.
3. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, and internally generated funds from prior and current year surpluses. For 2014/15, capital transfers totals R720.4 million (62%) and increases to R976.9 million by 2017/18 (64%).
4. It needs to be noted that the institution has made a strategic decision to utilize own funds to mainly replace existing infrastructure assets in the urban core of the city. The total amount of own funding is R425 million in 2015/16 increasing to R544 million in the 2017/18 financial year. The institution is commencing a program of renewing ageing infrastructure in areas that should supply the largest return for the city.
5. No new borrowing has been provided for 2015/16 financial year until a long term financial plan has been finalized and sufficient operating surplus is available to allow for the repayments that will be required.

Table 23: MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Current assets										
Cash	57 758	144 847	198 064	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Call investment deposits	1 464 211	1 698 468	1 966 369	1 233 269	979 567	979 567	979 567	2 303 434	2 341 401	2 453 883
Consumer debtors	458 788	596 220	564 204	1 160 451	1 160 451	1 160 451	771 726	671 945	709 802	745 981
Other debtors	36 505	67 564	67 726	90 203	90 203	90 203	90 203	98 188	108 000	118 800
Current portion of long-term receivables	13	14	16	14	14	14	14	14	14	14
Inventory	117 116	59 365	50 598	88 000	88 000	88 000	88 000	96 800	106 480	117 130
Total current assets	2 134 391	2 566 478	2 846 977	2 651 937	2 398 235	2 398 235	2 009 510	3 250 381	3 345 698	3 515 808
Non current assets										
Long-term receivables	57	43	27	60	60	60	60	60	60	60
Investments	857	892	–	–	–	–	–	–	–	–
Investment property	320 298	302 981	333 278	374 000	374 000	374 000	374 000	411 400	452 540	498 000
Investment in Associate	–	5 326	59 549	–	–	–	–	–	–	–
Property, plant and equipment	10 229 562	10 108 484	10 287 666	11 966 257	11 966 257	11 966 257	10 634 150	11 197 291	11 808 516	12 559 495
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	12 112	3 851	30 497	20 730	20 730	20 730	20 730	22 800	25 080	28 000
Other non-current assets	59 028	61 816	64 286	68 330	68 330	68 330	68 330	75 160	82 680	90 950
Total non current assets	10 621 914	10 483 393	10 775 303	12 429 377	12 429 377	12 429 377	11 097 270	11 706 711	12 368 876	13 176 505
TOTAL ASSETS	12 756 305	13 049 871	13 622 280	15 081 314	14 827 612	14 827 612	13 106 780	14 957 092	15 714 574	16 692 314
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	41 997	51 657	57 416	54 633	54 633	54 633	54 633	46 097	50 709	47 642
Consumer deposits	36 920	45 519	44 838	49 140	49 140	49 140	49 140	54 050	60 000	66 000
Trade and other payables	1 191 840	1 033 311	845 353	737 100	737 100	737 100	737 100	774 300	773 300	813 000
Provisions	113 922	131 340	141 165	144 560	144 560	144 560	144 560	151 780	167 000	183 700
Total current liabilities	1 384 679	1 261 827	1 088 772	985 433	985 433	985 433	985 433	1 026 227	1 051 009	1 110 342
Non current liabilities										
Borrowing	605 246	600 830	545 999	546 515	546 515	546 515	546 515	500 418	449 709	401 551
Provisions	406 450	377 703	442 125	544 620	544 620	544 620	544 620	599 090	658 800	724 680
Total non current liabilities	1 011 696	978 533	988 124	1 091 135	1 091 135	1 091 135	1 091 135	1 099 508	1 108 509	1 126 231
TOTAL LIABILITIES	2 396 375	2 240 360	2 076 896	2 076 568	2 076 568	2 076 568	2 076 568	2 125 735	2 159 518	2 236 573
NET ASSETS	10 359 930	10 809 511	11 545 384	13 004 746	12 751 044	12 751 044	11 030 212	12 831 357	13 555 056	14 455 741
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	7 913 292	8 393 971	9 138 881	10 327 810	10 074 108	10 074 108	8 353 276	10 020 574	10 603 734	11 356 841
Reserves	2 446 638	2 415 540	2 406 503	2 676 936	2 676 936	2 676 936	2 676 936	2 810 783	2 951 322	3 098 900
Minorities' interests	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10 359 930	10 809 511	11 545 384	13 004 746	12 751 044	12 751 044	11 030 212	12 831 357	13 555 056	14 455 741

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24: MBRR Table A7 - Budgeted Cash Flow Statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges	522 514	580 100	672 957	745 363	760 913	760 913	760 913	831 140	910 364	995 236
Service charges	1 754 710	1 965 059	2 198 960	2 278 689	2 254 944	2 254 944	2 254 944	2 471 802	2 751 180	3 060 448
Other revenue	131 123	287 662	433 692	553 197	570 413	570 413	570 413	657 180	695 208	733 234
Government - operating	722 264	723 457	812 167	825 736	929 301	929 301	929 301	1 149 387	1 235 370	1 146 031
Government - capital	186 251	506 406	734 503	700 782	720 859	720 859	720 859	850 353	924 719	976 943
Interest	82 656	106 184	123 654	106 874	106 874	106 874	106 874	152 531	158 829	165 433
Dividends	–	–	–	0	–	–	–	0	–	–
Payments										
Suppliers and employees	(2 619 536)	(2 808 957)	(3 308 223)	(3 507 515)	(3 675 516)	(3 675 516)	(3 675 516)	(4 448 581)	(4 906 784)	(5 204 046)
Finance charges	(70 499)	(67 259)	(65 777)	(59 248)	(59 248)	(59 248)	(59 248)	(54 313)	(49 286)	(44 055)
Transfers and Grants	(112 388)	(115 922)	(144 964)	(204 013)	(195 638)	(195 638)	(195 638)	(258 568)	(281 382)	(305 855)
NET CASH FROM/(USED) OPERATING ACTIVITI	**597 097**	**1 176 732**	**1 456 969**	**1 439 866**	**1 412 901**	**1 412 901**	**1 412 901**	**1 350 929**	**1 438 217**	**1 523 370**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	2 610	18 168	767	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivable	12	13	14	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	(37)	(36)	892	–	–	–	–	–	–	–
Payments										
Capital assets	(217 896)	(608 431)	(843 732)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 069)
NET CASH FROM/(USED) INVESTING ACTIVITI	**(215 310)**	**(590 286)**	**(842 058)**	**(942 007)**	**(1 168 745)**	**(1 168 745)**	**(1 168 745)**	**(1 275 354)**	**(1 349 540)**	**(1 521 069)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	441 524	(278 943)	(244 040)	–	–	–	–	–	–	157 823
Increase (decrease) in consumer deposits	3 466	8 599	(681)	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(45 020)	5 243	(49 072)	(54 633)	(54 633)	(54 633)	(54 633)	(46 097)	(50 709)	(47 642)
NET CASH FROM/(USED) FINANCING ACTIVITI	**399 970**	**(265 100)**	**(293 793)**	**(54 633)**	**(54 633)**	**(54 633)**	**(54 633)**	**(46 097)**	**(50 709)**	**110 181**
NET INCREASE/ (DECREASE) IN CASH HELD	**781 756**	**321 346**	**321 118**	**443 225**	**189 523**	**189 523**	**189 523**	**29 477**	**37 968**	**112 482**
Cash/cash equivalents at the year begin:	740 212	1 521 969	1 843 315	870 044	870 044	2 164 433	2 164 433	2 353 956	2 383 434	2 421 401
Cash/cash equivalents at the year end:	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the City grew significantly over the prior financial periods.
4. The cash and cash equivalents increases from R2.3 billion for the 2015/16 period escalating to R2.4 billion in the 2016/17 financial year and culminating in R2.5 billion in the 2017/18 financial year. The increase from R2.3 billion to R2.5 billion can be attributed to the depreciation that is cash-backed and the city will release this funding in the near future when its capacity to spend has achieved its desired level.

Table 25: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Other current investments > 90 days		0	0	0	(0)	(0)	(1 294 389)	(1 294 389)	-	-	-
Non current assets - Investments	1	857	892	-	-	-	-	-	-	-	-
Cash and investments available:		**1 522 826**	**1 844 207**	**2 164 433**	**1 313 269**	**1 059 567**	**1 059 567**	**1 059 567**	**2 383 434**	**2 421 401**	**2 533 883**
Application of cash and investments											
Unspent conditional transfers		739 538	460 596	216 555	107 100	107 100	107 100	107 100	112 800	78 300	83 000
Unspent borrowing		-	-	-	-	-	-		-	-	-
Statutory requirements	2										
Other working capital requirements	3	1 511	(29 270)	35 391	(530 505)	(530 527)	(530 527)	(169 832)	(41 821)	(51 877)	(59 811)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**741 049**	**431 326**	**251 946**	**(423 405)**	**(423 427)**	**(423 427)**	**(62 732)**	**70 979**	**26 423**	**23 189**
Surplus(shortfall)		**781 777**	**1 412 881**	**1 912 487**	**1 736 674**	**1 482 994**	**1 482 994**	**1 122 299**	**2 312 455**	**2 394 978**	**2 510 694**

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2011/12 to 2013/14 the surplus improved from R782 million to R1.9 billion.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF was funded with a slight surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 26: MBRR Table A9 – Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	217 464	593 465	844 194	402 186	548 773	548 773	539 938	726 869	790 671
Infrastructure - Road transport	37 503	253 015	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Infrastructure - Electricity	45 177	56 173	98 200	45 600	39 087	39 087	66 600	83 500	63 600
Infrastructure - Water	82 613	74 585	87 476	–	–	–	–	–	–
Infrastructure - Sanitation	21 460	120 669	170 238	–	–	–	–	–	–
Infrastructure - Other	–	–	8 488	70 000	118 622	118 622	71 710	134 218	183 872
Infrastructure	186 838	503 323	710 182	225 600	271 449	271 449	158 310	277 718	287 472
Community	6 783	15 988	58 128	22 000	24 960	24 960	35 068	17 000	24 000
Heritage assets	–	–	2 555	–	–	–	–	–	–
Investment properties	–	–	–	69 536	156 385	156 385	211 274	322 860	388 080
Other assets	40 839	73 175	47 819	85 150	94 978	94 978	126 375	108 291	113 419
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 227	–	27 591	–	–	–	–	–	–
Total Renewal of Existing Assets	–	–	–	539 821	821 972	821 972	745 427	622 881	739 399
Infrastructure - Road transport	–	–	–	88 000	213 460	213 460	246 000	180 000	184 000
Infrastructure - Electricity	–	–	–	80 189	80 000	80 000	82 000	109 000	48 000
Infrastructure - Water	–	–	–	97 689	96 808	96 808	81 000	91 000	91 000
Infrastructure - Sanitation	–	–	–	216 508	198 873	198 873	–	–	–
Infrastructure - Other	–	–	–	–	–	–	256 050	172 270	293 208
Infrastructure	–	–	–	491 386	589 240	589 240	665 050	551 270	617 188
Community	–	–	–	28 030	21 518	21 518	30 700	24 750	38 250
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	20 386	11 226	11 226	28 071	46 861	74 960
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	37 503	253 015	345 781	198 000	327 199	327 199	266 000	260 000	224 800
Infrastructure - Electricity	45 177	56 173	98 200	134 689	119 087	119 087	158 600	171 500	111 600
Infrastructure - Water	82 613	74 585	87 476	97 689	96 808	96 808	81 000	91 000	91 000
Infrastructure - Sanitation	21 460	120 669	170 238	216 508	198 873	198 873	–	–	–
Infrastructure - Other	–	–	8 488	70 000	118 622	118 622	328 760	306 494	456 080
Infrastructure	186 838	503 323	710 182	716 886	860 589	860 589	834 360	829 013	883 480
Community	6 783	15 988	58 128	50 030	46 478	46 478	65 768	41 750	62 250
Heritage assets	–	–	2 555	–	–	–	–	–	–
Investment properties	–	–	–	69 536	156 385	156 385	211 274	322 860	388 080
Other assets	40 839	73 175	47 819	85 545	106 204	106 204	154 446	155 152	188 379
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	3 227	–	27 591	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	217 464	593 485	844 194	942 007	1 188 745	1 188 745	1 278 354	1 349 840	1 521 089
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	2 214 774	4 380 374	4 274 625	1 635 518	1 784 717	1 784 717	1 635 518	1 861 018	2 066 018
Infrastructure - Electricity	1 508 478	1 404 489	1 370 045	1 882 035	1 807 023	1 807 023	1 882 635	1 898 135	2 001 635
Infrastructure - Water	1 411 410	1 237 051	1 264 001	1 511 104	1 510 373	1 510 373	1 511 104	1 726 604	1 785 604
Infrastructure - Sanitation	1 167 008	1 125 478	1 139 469	1 713 538	1 095 901	1 095 901	1 713 538	1 929 038	2 128 035
Infrastructure - Other	–	–	–	3 860 823	3 800 840	3 800 840	2 961 380	3 236 989	3 833 486
Infrastructure	6 299 670	8 146 390	8 048 140	10 603 018	10 498 855	10 498 855	8 504 235	10 649 822	11 814 848
Community	221 217	029 330	686 067	416 737	483 436	483 436	416 737	416 737	416 737
Heritage assets	3 421	40 181	40 181	43 955	43 066	43 955	43 955	43 955	43 955
Investment properties	320 288	302 981	333 278	374 000	374 000	374 000	411 400	452 540	498 000
Other assets	6 036 002	1 411 762	1 421 423	1 102 869	1 120 536	1 120 536	1 102 869	1 112 249	1 380 202
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	12 112	3 861	30 407	20 730	20 730	20 730	22 800	26 080	28 000
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	11 893 707	10 638 394	10 459 676	12 560 887	12 541 311	12 541 311	11 601 014	12 660 383	14 184 742
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	676 702	701 564	644 163	710 000	710 000	710 000	712 213	738 315	770 080
Repairs and Maintenance by Asset Class	219 321	203 702	285 086	332 248	327 748	327 748	372 010	416 986	460 612
Infrastructure - Road transport	35 099	62 087	82 764	80 548	80 548	80 548	108 620	123 458	140 822
Infrastructure - Electricity	78 890	100 347	103 884	111 151	100 151	100 151	112 550	127 728	127 920
Infrastructure - Water	37 049	20 978	30 800	37 001	37 001	37 001	42 430	48 401	55 240
Infrastructure - Sanitation	10 208	19 466	23 221	25 287	25 287	25 287	29 020	32 348	35 257
Infrastructure - Other	15 821	11 946	15 494	20 136	17 636	17 636	22 885	24 000	27 240
Infrastructure	181 067	220 824	256 226	280 184	276 884	276 884	318 618	356 881	386 480
Community	14 867	19 436	27 165	16 749	16 083	16 083	17 874	19 103	20 415
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	16 307	23 443	27 293	35 315	35 401	35 401	38 117	40 910	43 908
TOTAL EXPENDITURE OTHER ITEMS	896 023	905 266	929 249	1 042 248	1 037 748	1 037 748	1 084 223	1 155 301	1 230 692
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	57.3%	53.2%	53.2%	58.3%	46.1%	48.6%
Renewal of Existing Assets as % of depreciation	0.0%	0.0%	0.0%	76.0%	87.6%	87.6%	104.7%	84.3%	94.8%
R&M as a % of PPE	2.1%	2.6%	2.8%	2.8%	2.7%	2.7%	3.3%	3.5%	3.4%
Renewal and R&M as a % of PPE	3.0%	3.0%	3.0%	7.0%	8.0%	8.0%	10.0%	8.0%	8.0%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. BCMM has allocated 58.4 % of its capital budget towards asset renewal and 3.3% for Repairs and Maintenance as a percentage of PPE, which is at current replacement cost and this grows to 3.6% of PPE in the outer year.
3. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. It should be borne in mind that Buffalo City Metropolitan Municipality budgets has valued certain of its assets on the revaluation model and therefore the above %age allocations should be adjusted accordingly to reflect the increase in asset values due to different valuation methodologies. The city has taken a strategic decision to move in the direction of allocating 60% of its capital budget to replacing and/or refurbishment of existing infrastructure.

Table 27: MBRR Table A10 – Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	103 000	104 000	103 000	104 000	105 000	105 000	105 000	106 000	107 000
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min service level)	115 000	120 000	120 000	120 000	121 000	122 000	122 000	123 000	123 000
Other water supply (at least min service level)	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093
Minimum Service Level and Above sub total	223 093	229 093	228 093	229 093	231 093	232 093	232 093	234 093	235 093
Using public tap (< min service level)	1 400	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Other water supply (< min service level)	–	–	–	–	–	–	–	–	–
No water supply	6 000	3 000	3 000	3 000	2 000	1 000	1 000	–	–
Below Minimum Service Level sub total	7 400	4 000	4 000	4 000	3 000	2 000	2 000	1 000	1 000
Total number of households	230 493	233 093	232 093	233 093	234 093	235 093	234 093	235 093	236 093
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	120 300	120 355	120 155	120 205	120 255	120 305	154 617	154 617	154 617
Flush toilet (with septic tank)	1 329	1 329	1 329	1 329	1 329	1 329	5 428	5 428	5 428
Chemical toilet	–	–	–	–	–	–	3 644	3 644	3 644
Pit toilet (ventilated)	17 695	21 529	21 930	24 230	26 230	26 885	41 009	41 009	41 009
Other toilet provisions (> min service level)	–	–	405	556	705	–	–	–	–
Minimum Service Level and Above sub total	139 324	143 213	143 819	146 319	148 519	150 519	204 698	204 698	204 698
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min service level)	–	–	–	–	–	–	835	835	835
No toilet provisions	48 118	4 229	43 623	41 123	38 623	36 623	18 135	18 135	18 135
Below Minimum Service Level sub total	48 118	4 229	43 623	41 123	38 623	36 623	18 970	18 970	18 970
Total number of households	187 442	147 442	187 442	187 442	187 442	187 442	223 668	223 668	223 668
Energy:									
Electricity (at least min service level)	10 000	10 000	9 000	8 000	8 000	8 000	8 846	8 846	8 846
Electricity - prepaid (min service level)	107 000	105 000	106 000	107 000	107 000	107 000	113 245	113 245	113 245
Minimum Service Level and Above sub total	117 000	115 000	115 000	115 000	115 000	115 000	122 091	122 091	122 091
Electricity (< min service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub total	–	–	–	–	–	–	–	–	–
Total number of households	117 000	115 000	115 000	115 000	115 000	115 000	122 091	122 091	122 091
Refuse:									
Removed at least once a week	118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
Minimum Service Level and Above sub total	118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880	1 880
Using own refuse dump	2	2	2	2	2	2	2	2	2
Other rubbish disposal	1	1	1	1	1	1	1	1	1
No rubbish disposal	4	3	3	3	3	3	3	3	3
Below Minimum Service Level sub total	1 887	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886
Total number of households	119 887	120 886	120 886	120 886	120 886	120 886	131 886	131 886	131 886
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Sanitation (free minimum level service)	37 088	34 837	42 897	39 018	39 018	39 018	64 100	64 100	64 100
Electricity/other energy (50kwh per household p	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Refuse (removed at least once a week)	27 509	19 191	20 723	37 948	37 948	37 948	34 000	34 000	34 000
Cost of Free Basic Services provided (R'000)	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)	23 440	20 091	31 134	35 788	35 788	35 788	39 726	43 076	48 593
Sanitation (free sanitation service)	28 900	30 370	41 350	41 647	41 647	41 647	74 773	81 853	89 001
Electricity/other energy (50kwh per household p	28 256	32 070	35 277	38 276	38 276	38 276	42 845	48 184	54 063
Refuse (removed once a week)	35 906	28 282	34 407	71 102	71 102	71 102	69 661	76 070	82 916
Total cost of FBS provided (minimum social p	116 883	117 713	143 234	186 713	186 713	186 713	227 105	248 883	274 574
Highest level of free service provided									
Property rates (R value threshold)	150 000	150 000	150 000	161 240	161 240	161 240	151 240	151 240	151 240
Water (kilolitres per household per month)	6	0	0	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	56	65	72	89	89	89	97	108	118
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	170	170	170	170	170	170	170	170	170
Revenue cost of free services provided (R'000)	–	–	–	–	–	–	–	–	–
Property rates (R15 000 threshold rebate)	–	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)	23 478	24 855	33 846	41 050	41 050	41 050	01 619	07 425	73 763
Water	23 440	20 091	31 134	35 788	35 788	35 788	39 726	43 076	48 593
Sanitation	28 900	30 370	41 350	41 647	41 647	41 647	74 773	01 853	89 001
Electricity/other energy	28 256	32 070	35 277	38 276	38 270	38 270	42 845	48 184	54 063
Refuse	35 906	28 282	34 407	71 102	71 102	71 102	00 661	76 070	82 916
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	5 726	6 001	8 254	13 312	13 312	13 312	13 788	15 111	18 532
Total revenue cost of free services provided (total social package)	145 786	148 829	184 335	241 075	241 075	241 075	302 412	332 419	384 868

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The Budget Steering Committee has been established in terms Section 53 of the MFMA and Municipal Budget Reporting Regulations.

The Budget Steering Committee consists of the City Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 IDP/Budget Process Overview

In terms of Section 30 of the Municipal Systems Act no 32 of 2000, *the Executive Mayor of a municipality must in accordance with S 29-*

"(c) s*ubmit the draft plan to the municipal council for adoption* ,further

Section 53 of the Municipal Finance Management Act no 56 of 2003 subsection 1 (b) *The Mayor of the Municipality must coordinate the annual revision of the IDP in terms of S34 of the MSA and the preparation of the annual budget and determine how the IDP is to be taken into account/ or revised for the purposes of the budget.*

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

In terms of Section 16 (2) of the Municipal Finance Management Act (MFMA) No 56, 2003:

"the Mayor of the Municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year."

Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Executive Mayor has established a Budget Steering Committee, which consists of the Portfolio Holder for Finance (Chairperson) and Senior Managers.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan. In compliance with this requirement Buffalo City Metropolitan Municipality adopted the plan on 31 July 2013.

Table 28: Key activities in the review of the 2015/16 IDP and MTREF Budget

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
City Manager submits draft SDBIP 14/15 to Executive Mayor	18 June 2014	Yes	N/A
• Executive Mayor approves SDBIP 14/15 & section 56 Performance Agreements 28 days after the adoption of IDP & Budget	27 June 2014	Yes	N/A
Publication of 14/15 Institutional SDBIP and directorate SDBIPs • Advertise • Place on website • Distribute in libraries	11 July 2014	Yes	N/A
• Submit adopted 2014/15 SDBIP to National Treasury and MEC Local Government and Traditional Affairs	11 July 2014	Yes	N/A
Top Management Meeting: Tabling of IDP/Budget/PMS Process Plan for 2015/16 IDP Review	14 July 2014	Yes	N/A
IDP and Organisational Performance Management Portfolio Committee: • Tabling of IDP/Budget/PMS Process Plan for 2015/16 IDP Review	16 July 2014	Yes	N/A
Commence process of reviewing and adopting Delegations Framework as well as IDP & Budget related policies & Bylaws	28 July 2014	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Special Top Management Meeting: • Consideration of 13/14 roll over adjustment budget (excluding Conditional Grant Funded Projects)	28 July 2014	Yes	N/A
• Submission of 4th Quarter SDBIP & Institutional Scorecard 13/14	30 July 2014	Yes	N/A
Mayoral Committee Meeting • Tabling of IDP/Budget/PMS Process Plan for 2015/16 IDP Review	5 August 2014	Yes	N/A
IDP and Organisational Performance Management Portfolio Committee	6 August 2014	Yes	N/A
Review and registration of BCMM stakeholders for participation in the IDP review processes: • Advertise Representative Forum and invite new stakeholders to register on BCMM database	6 August 2014	Yes	N/A
Publicize draft process plan on BCMM website, local newspaper and notice boards	8 August 2014	Yes	N/A
Submit draft Annual Report and evidence to Internal Auditors including annual financial statements and financial and non-financial information. [Note that the annual performance report and the annual financial statements form part of an Annual Report.]	9 August 2014	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
IDP/Budget/PMS workshop (All Cllrs, Executive Directors, Directors and GMs) • Draft IDP Review Process Plan 2014/15	14 August 2014	Yes	N/A
Budget Steering Committee Meeting: • Consideration of 2013/14 roll over adjustment budget (excluding Conditional Grant Funded Projects)	15 August 2014	Yes	N/A
Submission of Annual Financial Statements to the Audit Committee	15 August 2014	Yes	N/A
IDP Representative Forum: • Report 2013/14 Institutional Performance • Presentation of process plan • Establishment of committees and consultation forums for budget processes	19 August 2014	Yes	N/A
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit / Performance Committee	23 August 2014	Yes	N/A
Council meeting: Adoption of IDP/Budget/PMS process plan for 2015/16 IDP Review • Submission of 2014/15 SDBIP	27 August 2014	Yes	N/A

2081

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Council Meeting: • Approval of 2013/14 roll over adjustment budget (excluding Conditional Grant Funded Projects) • Tabling of unaudited annual report	27 August 2014	Yes	N/A
Completion and submission of Budget Evaluation Checklist to National Treasury	29 August 2014	Yes	N/A
Submission of Conditional Grant Roll-overs to National Treasury	29 August 2014	Yes	N/A
Submission of 2013/14 Annual Financial Statements and unaudited Annual Report	29 August 2014	Yes	N/A
Performance Audit Committee: Consideration of unaudited Draft Annual Report	29 August 2014	Yes	N/A
IDP and Organisational Performance Management Portfolio Committee	3 September 2014	Yes	N/A
Advertise adopted IDP/Budget/PMS Process Plan Publication of process plan on BCMM website, local newspaper and notice boards	5 September 2014	Yes	N/A
Submit adopted process plan to MEC for Local Government and Traditional Affairs	5 September 2014	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Submit to National Treasury 2013/14 Roll-Over Adjustment Budget in terms of National Treasury Reporting requirements	12 September 2014	Yes	N/A
• Advertise 2013/14 Roll-Over Adjustment Budget for public comment • Place 2013/14 Roll-Over Adjustment Budget on BCMM website	12 September 2014	Yes	N/A
Mayoral Imbizo (Community consultation process)	15-17 September 2014	No	Consultation process was postponed and convened on 25-31 October 2014
IDP Technical Cluster Meetings: • Review progress made in implementation of IDP from 2011-2014	21-23 September 2014	No	Cluster meetings were postponed and convened on 30 September 2014 and 3-6 October 2014
IDP and Organisational Performance Management Portfolio Committee	30 September 2014	Yes	N/A
IDP Full Cluster Meetings (Led by Political Cluster Champs)	2;3 & 9 October 2014	No	Cluster meetings were postponed and convened on 10-13 October 2014
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity. [The Auditor-General's reports are issued during the period of Oct / Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed.]	6 October 2014	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Top Management Meeting: • Consideration of 2013/14 roll over adjustment budget for Conditional Grant Funded Projects	13 October 2014	Yes	N/A
Mayoral Lekgotla Session: • 2011-2014 Performance assessment/review • Review of strategic objectives for service delivery and development • Broad capital budget allocations	15-17 October 2014	Yes	N/A
Budget Steering Committee Meeting: • Consideration of 2013/14 roll over adjustment budget for Conditional Grant Funded Projects	21 October 2014	Yes	N/A
IDP/PMS Portfolio Committee Meeting • Table progress report on IDP Review Process	22 October 2014	Yes	N/A
Councillors session to present outcomes of Mayoral Lekgotla	23-24 October 2014	No	Waiting for a report from the Mayoral Lekgotla in order to proceed with Councillors session
Council meeting – • approval of 2012/13 Roll-over Adjustment Budget for Conditional Grant Funded Projects	29 October 2014	Yes	N/A
Table 2014/15 SDBIP/Institutional 1st quarter reports and MFMA Section 52 (d) report to Council	30 October 2014	Yes	N/A
Submission of the Annual Report 2013/14 to Department of Human Settlements	30 October 2014	Yes	N/A
Submission of 2013/14 1st quarter DoRA reports to Transferring National Departments & National Treasury	30 October 2014	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
IDP Technical Cluster Meetings: • Confirmation of IDP Objectives, Strategies, Key Performance Indicators and targets	4 November 2014	No	Draft 2016/16 section D is placed and was forwarded to directorates for confirmation of IDP objectives, strategies, KPA's and targets
Budget Workshops – with all Directorates	17-21 November 2014	Yes	N/A
IDP Representative Forum: • Presentation of draft 2015/16 IDP and MTREF Budget • Report on 2014/15 SDBIP 1st Quarter performance	24 November 2014	No	The Rep Forum Meeting was postponed to 27 February 2015 as it could not be held prior to the Councillors session which was to consider institutional priorities
IDP/PMS Portfolio Committee Meeting: • Consider IDP/Budget/PMS review progress	19 January 2015	Yes	N/A
IDP Technical Cluster Meetings • Confirmation of draft Projects and Programmes	22-23 January 2015	Yes	N/A
Submission of 2014/15 SDBIP 2nd quarter reports Section 72 Reports (Mid -year report) to the Executive Mayor	28 January 2015	Yes	N/A
Council Meeting: • Consider 2014/15 SDBIP 2nd quarter reports (Mid -year report) • Draft Annual Report 2013/14	28 January 2015	Yes	N/A
City Manager and Section 57 Managers to be assessed	30 January 2015	Yes	N/A
Mayor tables audited Annual Report and financial statements to Council	31 January 2015	Yes	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Top Management Meeting: • Consideration of 2014/15 Mid-year adjustment budget	9 February 2015	Yes	N/A
National Treasury Mid-year Budget and Performance Assessment Review	16 February 2015	Yes	N/A
Audited Annual Report is made public.	2 February 2015	Yes	N/A
Council Workshop (all Cllrs, Directors and GMs): • Review and confirm 2015/16 Draft IDP and MTREF Budget • Budget Related Policy review	19-21 February 2015	Yes	N/A
Mayoral Committee: • Considers 2015/16 1st draft IDP; MTREF Budget	25 February 2015	Yes	N/A
IDP/Budget/PMS External Representative Forum Meeting: • Presentation of draft 2015/16 IDP and MTREF	27 February 2015	No	Postponed to 13 March 2015
BCMM IGR Forum Meeting: • Presentation of draft 2015/16 IDP and MTREF • Draft programmes/projects	13 March 2015	No	Rescheduled to 18 March 2015
IDP/PMS Portfolio Committee Meeting: • Consider IDP/Budget/PMS review progress • Preparations for IDP/Budget Road Shows	18 March 2015	Yes, held on 4 March	N/A

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Council Meeting: • Approve 2014/15 Mid-year Adjustment Budget Approve 2015/16 Draft IDP, SDBIP and MTREF Budget	25 March 2015	No	Council meeting was rescheduled and held on 31 March 2015
IDP/Budget Roadshow briefing session	31 March 2015	Yes, held on 19 March	N/A
Oversight committee assessment on Annual Report. This must be concluded within 2 months from the date it was tabled to Council	31 March 2015	Yes	N/A
• Submits to MEC for Local Government and Traditional Affairs, National Treasury 2015/16 Draft IDP, SDBIP and MTREF Budget • Advertise 2015/16 Draft IDP, SDBIP and MTREF Budget for public comment • Place 2015/16 Draft IDP, SDBIP and MTREF Budget on BCMM website	1 April 2015	No	Submitted on 09 March 2015
IDP/Budget/PMS Technical Committee Meeting: • Present state of readiness for IDP/Budget roadshows	2 April 2015	Yes	N/A
IDP Budget Road Shows: • Present summarised draft IDP & Budget • BCMM response to key issues raised by wards • Highlight planned projects and programmes	8-24 April 2015	Yes	N/A
Council Workshop on the final IDP/Budget before adoption	3-5 May 2015	No	The workshop has been rescheduled to 19 May 2015

ACTIVITY	TIMEFRAME	TIMEFRAME MET [YES/NO]	REASON FOR DEVIATION
Consultation with Organised Business and Traditional Leadership on the Draft 2015/16 IDP & Budget • Business Breakfast • Session with traditional leadership	7-8 May 2015	Yes	N/A
National Treasury Municipal Budget and Benchmark Engagement.	15 May 2015	Yes	N/A
Council Meeting: • Approval of 2015/16 IDP and MTREF Budget	29 May 2015	Forthcoming	
Publicise BCMM adopted tariffs • BCMM website and newspaper • Make public a copy of the tariff book and resolutions for public inspection at municipal offices • Submits to MEC for Co-operative Governance and Traditional Affairs a copy of the tariff resolution and public advert	2 June 2015	Forthcoming	
Advertise Adoption of final 2015/16 IDP and Budget (*local newspaper, BCMM website and notice boards)*	2 June 2015	Forthcoming	
• Submit to MEC for Local Government and Traditional Affairs, Provincial Treasury, National Treasury and • Place on BCM web site the final 2015/2016 IDP/ Budget (MTREF)	11 June 2015	Forthcoming	

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The review of the 2015/16 IDP started in September 2014 after the tabling to Council the IDP/Budget Process Plan and the Budget Time Schedule for the 2015/16 MTREF.

The Metro's IDP is the principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly informs the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Performance Assessment and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each function/directorate had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2015/16 Service Delivery and Budget Implementation Plan. Business planning responds to the Metro's priority needs, reviewed strategic objectives and informs the detail operating budget appropriations and three-year capital programme.

The Draft Service Delivery and Budget Implementation Plan (SDBIP) with Draft Performance Agreements will be submitted to the Executive Mayor after the approval of the IDP and Budget; and the final SDBIP will be tabled to Council for approval with the Performance Agreements before 30 June 2015.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following

key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 74 and 75 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2015/16 IDP Review and MTREF Budget was tabled before Council on 31 March 2015. Thereafter the draft documents were made available for community consultation on the municipality's website, and hard copies were made available at customer care offices and municipal libraries.

IDP/Budget road shows to present the draft IDP and Budget took place from 8 – 24 April 2015.

Table 29: Proposed Schedule of IDP/Budget Road Shows

DAY 1: WEDNESDAY, 08 APRIL 2015

Day	Ward	Areas to be covered	Venue & Time
1 (a)	18	Woodleigh, Bunkers Hill, Nahoon, Nahoon Mouth, Stirling, Berea, Selborne, Baysville Pearce Street to Bridge Ave N.E. Express Way, Southernwood Lower part, McGrath- Usher-Starhope- Jellico down to Valley Road	Drake Road Clinic 5.00 pm
(b)	4	Beacon Bay, Nahoon Valley Park, Bonnie Doon, Vincent Heights, Lower Vincent Amalinda, Haven Hills, Saxillby, Dawn	Beacon Bay Library 5.00 pm
(c)	3	Belgravia, Braelynn, Milner Estate, Stoney Drift, Panmure, Braelynn, Southernwood, Braelynn Industrial, Lennox Estate	East London High School 5.00 pm
(d)	47	Quigney, Beach, E.L. CBD, Baysville	Orient Theatre 5.00 pm

DAY 2: THURSDAY, 09 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
2 (a)	1	Pefferville, Duncan Village, Braelynn Hills, Milkywood	Gompo Hall 5.00 pm
(b)	9	Amalinda, Soccho, Soney Drift, Braelyn extension 8 & 10, C Section, Duncan Village, C Section extension, Chislhurst, Cambridge	Clements Kadalie Hall 5.00 pm
(c)	10	Haven Hill South , Buffalo Flats, Alphendale, Vergenoeg, Egoli, East Bank, Ghost Town, Fynbos informal	Alphandale High School 5.00 pm
(d)	14	Mdantsane NU 3 & 4	Isithembiso High School 5.00 pm

DAY 3: FRIDAY, 10 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
3 (a)	2	Gompo, Bhebhelele, St Peters Catholic Church, Clover Catholic Church (Dunga, Mzonyana)	Gompo Hall 5.00 pm
(b)	46	West Bank, Orange Grove, Greenfields, Airport, Sunnyridge, Leaches Bay, Sunset Bay, Sunnyridge Ext/Park	Robbie De Lange Hall 5.00 pm
(c)	27	Kwelera, Gonubie, Nkwezana, Dwadwa, Sunrise on Sea	Carnegie Hall 5.00 pm
(d)	11	N.U. 2, 5	N.U 5 Rent Office 5.00 pm (tent)

DAY 4: MONDAY, 13 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
4 (a)	38	Lenge, Bulembu, Anders Mission, Mantlaneni, Mamata, Mzantsi, Lieveldt, Mxaxo A, Mxaxo B, Nonkcampa, Gwaba, Zikhalini, Dikidikana, Lower Mngqesha, Khayelitsha, Tyhusha, Kwelerana	Dikidikana Community Hall 3.00 pm
(b)	40	Mlakalaka, Ndileka, Godidi, Mimosa, Qongqota, Ekuphumleni, Dongwe, Fort Murray, Tshabo 2&3, Mount Coke, Bongweni, Thubalethu	Tshabo 2 Community Hall 3.00 pm
(c)	37	Tolofiyeni, King Williams Town, Westbank, Schornville, Masingata, Mdingi	Schonville Hall 5.00 pm
(d)	24	Nxamkwana, Mntlabati, Mabaleni, Mbolompeni, Mncotsho, Luxomo, Nkqonqweni, Kanana, Khayelitsha, Khwezi Block 1, Khwezi Block 2, Msintsini , Mbekweni, Unit P, Kingston	Mbekweni Primary School 2.00 pm

DAY 5: TUESDAY, 14 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
5 (a)	21	Fort Jackson, Golden Highway, Unit 13 & 15, Tambo Park	N. U. 15 Community Hall 5.00 pm
(b)	20	Mdantsane NU 6, 7	NU 7 Community Hall 5.00 pm
(c)	25	Phakamisa, Zwelitsha zone 8, 9,Cliff	Phakamisa Community Hall 3.00pm
(d)	12	Mdantsane Unit 1, Mdantsane Zone, SmilingValley	N.U. 1 Community Hall 5.00 pm

DAY 6: WEDNESDAY, 15 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
6 (a)	6	Parkridge, Eluxolweni, Duncan Village	Gompo Hall 5.00 pm
(b)	13	Reeston, Khayelitsha, Chicken Farm, Part of Scenery Park, Thembalethu, Eureka, Arnalton, Part of Highway Gardens, Dice, Hutchinson, Part of Biko Village	Reeston (Tent) 5.00 pm
(c)	15	Cambridge town, Cambridge township, Highgate, Vincent	Cambridge Hall 5.00 pm
(d)	23	Unit 17, CC 18, Potsdam, Blue rock, Raxanga, Nxamkwana	Potsdam Community Hall 3.00 pm

DAY 7: THURSDAY, 16 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
7 (a)	5	Scenery Park	Scenery Park Community Hall 5.00 pm
(b)	30	Mdantsane NU 9 & 10	NU 10 Hall 5.00 pm
(c)	22	N.U. 14, N.U. 16	Loyiso High School 5.00pm
(d)	28	Mzamomhle, Riegerton	Mzamomhle Hall 5.00 pm

DAY 8: FRIDAY, 17 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
8 (a)	19	Buffalo Flats , Parkside, Pefferville Second Creek, Mzamo Informal Settlement, New Rest	Parkside Hall 5.00 pm
(b)	7	C-Section, Gompo Town area, Bhebhelele, D-Section	Post Office 5.00 pm
(c)	29	Nompumelelo, Ducats, Abbotsford	Sinempumelelo School 5.00 pm
(d)	48	N.U.11a, 11b, N.U. 12	N.U.12 Community Hall 5.00 pm

DAY 9: MONDAY, 20 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
9 (a)	31	Kaisers Beach, Sunny South, Shelford, Winterstrand, Kidd's Beach, Lillyvale, Igoda, Fort Grey, Bongweni, Ntenteni, Bhompini, Ncera Village 1, Ncera Village 2, Ncera Village 3, Airport Phase 1, Ncera Village 9	Kidd's Beach Hall 5.00 pm
(b)	32	Thyusha, Dowu, Zikhova, Kampini, Mazikhanye, Ngqinisa, Weltina, Zweliyandila, Open Shaw, Kiwane, Kalkeni, Xesi, Dyamdyam, Phozi, Gqala, New Rest, Mpongo, Sandile, Tsaba, Xhamini, Ncera Village 4, Ncera Village 5, Ncera Village 6, Ncera Village 7, Boxwood, Gxethu, Qhuru	Xhamini Community Hall 10.00 am
(c)	33	Needs Camp Welcome wood, Gwiligwili, Kuni, Twecana, Phumlani, Hill Village, Thembisa, Cornfield, Silverdale, Altile Village, Good Hope	Welcomewood Community Hall 12.00 pm
(d)	26	Kwampundu, Ncalukeni, St Mary , Mzonkeshe, Nkqonqweni, Zikwaba, Kwetyana, Thorn Park, Sinqumeni, Ntsonkotha, Msobomvu Macleantown, Kwaseya, Esigqibeni, Newbright	Ntsonkotha Community Hall 2.00 pm

DAY 10: TUESDAY, 21 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
10 (a)	34	Dimbaza, Phola Park	Moses Twebe Community Hall 5.00 pm
(b)	44	Sweetwaters, Tshatshu, Breidbach , Siyathemba, Qalashe, Golf Course	Breidbach Community Hall 7.00 pm
(c)	41	Zwelitsha 1,2,3,4,5,6,7 & 10	Nolizwe Mnyaka Community Hall 5.00 pm
(d)	50	N.U. 8, 10	Nyameko High School 5.00 pm

DAY 11: WEDNESDAY, 22 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
11 (a)	17	N.U. 9, N.U. 6, N.U. 4, Cuba, Eluxolweni	Eluxolweni Community Hall 3.00 pm
(b)	39	Ginsberg, Bonke, Kwalini, Rhayi, Ngxwalane	Ginsberg Community Hall 5.00 pm
(c)	35	Clubview, Balasi, Balasi Valley, Ethembeni, Zinyoka, Tyutyu Village	Zinyoka Community Hall 3.00 pm
(d)	43	Bisho, Tyutyu, Ncemera , Hanover, Majali, Mpengempengeni, Mdange	Skenjana Roji Community Hall 5.00 pm

DAY 12: THURSDAY, 23 APRIL 2015

Day	Ward	Areas to be Covered	Venue & Time
12 (a)	36	Part of Dimbaza, Madakeni, Zabalaza, Nakani, Upper Mngqesha, Mzintshane, Pierie Mission, Gambushe, Pierie Trust, New Rest	Mzintshane Community Hall 10.00 am
(b)	49	Ndevana	Ndevana Community Hall 3.00 pm
(c)	45	Skobeni, Ilitha, Berlin, Tshabo 1	Ilitha Community Hall 3.00 pm

DAY 13: FRIDAY, 24 2015

Day	Ward	Areas to be Covered	Venue & Time
13 (a)	8	Gompo, Dip, Gesini	Qaqamba High School 5.00 pm
(b)	16	Amalinda Forest, Summerpride, Rosedale, Winchester Gardens, Morningside	Amalinda Stadium(tent) 5.00 pm
(c)	42	N.U. 1, 2	Indoor Sport Centre 5.00 pm

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The IDP review process was undertaken within the framework of National, Provincial and District policies and legislation. Some of the key informants that guide the review and refinement of IDP objectives and strategies include the following:

- National Development Plan;
- Millennium Development Goals (MDGs);
- 12 Outcomes adopted by National Cabinet in January 2010;
  - BCMM Ward priorities;
  - Priorities from the Mayoral Lekgotla held on 16 – 18 October 2013;

The following table highlights the IDP's six strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 30: IDP'S Six Strategic Objectives

BCMM1:	**To be a financially sound organisation that efficiently manages its resources;**
BCMM2:	**To be an institutionally efficient and effective City that inclusively works with communities;**
BCMM 3:	**To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality;**
BCMM 4:	**To produce sustainable infrastructure that support social and economic development;**
BCMM 5:	**To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016**
BCMM 6:	**To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016**

The national sphere of government develops and promulgates legislation, policies and strategies which all spheres have to implement. In developing their own plans and policies, other spheres of government, particularly the local government sphere has to ensure that there is alignment with both National and Provincial plans. Key plans and policies include the National Development Plan, Provincial Growth and Development Plan, Millennium Development Goals and the 12 Local Government Outcomes. These are aligned below:

Table 31: Alignment of BCMM Strategic Objectives with National and Provincial Priorities

BCMM Strategic Objective	12 Outcomes	Provincial Growth and Development Plan	National Development Plan	Millennium Development Goals
To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	Decent employment through inclusive economic growth A skilled and capable workforce to support inclusive growth An efficient, competitive and responsive economic infrastructure network	To maintain an economic growth rate of between 5% - 8% per annum To halve the unemployment rate by 2014	Unemployment rate should fall from 27% in 2011 to 14% by 2020 and to 6% by 2030 Total employment should rise from 13 million to 24 million	Develop a global partnership for development
To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016	Protection and enhancement of environmental assets and natural resources		Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being achieved around 2025 By 2030, an economy-wide carbon price should be entrenched	Ensure environmental sustainability

BCMM Strategic Objective	12 Outcomes	Provincial Growth and Development Plan	National Development Plan	Millennium Development Goals
To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016.	Improve the quality of basic education	To ensure universal primary education by 2014, with all children proceeding to the first exit point in a secondary education.	All children should have at least two years of pre-school education. This implies about 2 million places About 80% of schools and learners achieve 50% and above in literacy, mathematics and science in grades 3, 6, 9 At least 80% of students should complete 12 years of schooling	Achieve universal primary education
To produce sustainable infrastructure that support social and economic development	Improve health and life expectancy	To reduce by two thirds the under-five mortality rate by 2014 To reduce by three-quarters the maternal mortality rate by 2014. To halt and begin to reverse the spread of HIV-Aids tuberculosis by 2014	By 2030, life expectancy should reach at least 70 for both men and women Infant mortality rate should decline from 43 to 20 per 1000 live births and the under-five mortality rate should be less than 30 per 1000, from 104 today	Reduce child mortality rate Improve maternal health Combat HIV/AIDS, malaria, and other diseases

BCMM Strategic Objective	12 Outcomes	Provincial Growth and Development Plan	National Development Plan	Millennium Development Goals
To produce sustainable infrastructure that support social and economic development	Sustainable human settlements and improved quality of household life	To provide clean water to all in the province by 2014 To eliminate sanitation problems by 2014	The proportion of people with access to electricity should rise from 70% in 2010 to 95% by 2030, with no grid options available for the rest. Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry	
To be an institutionally efficient and effective City that inclusively works with communities	A development-orientated public service and inclusive citizenship		A capable and effective state, able to enhance economic opportunities, support the development of capabilities and intervene to ensure a rising floor of social rights for the poor	

Over the next five year term the City will concentrate on the 9 strategic focal areas outlined below.

- Institutional Restructuring and Stabilisation;
- Improve Governance;
- Job Creation;
- Build Citizen Confidence;
- Bridge the digital divide;
- Improve performance, compliance, processes and systems;
- Build Sustainable Communities; and
- Financial viability.

These institutional priorities would enable the Metro to strategically position itself to achieve long term goals as dictated by drivers to maximise economic potential. It has been agreed that the Integrated Development Plan and the Metro Growth and Development Strategy need to focus on the main strategic focus areas as economic driver. These are:

- Facilitate growth of SMME Sector;
- Facilitate retention and attraction of investors within BCMM;
- Infrastructure development for economic growth;
- To market the city as a tourist destination in partnership with other stakeholders

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 32: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit Improvement Plan towards attainment of an unqualified audit report	1 169 402	1 821 882	1 804 658	1 719 752	1 735 875	1 735 875	1 922 618	1 995 512	2 088 184
	Develop a legally compliant and efficient Supply Chain Management System									
	Implement revenue enhancement strategies									
	Valuation of Properties									
	Maintain favourable cash management procedures									
	Maintain long term borrowing below NT Threshold									
	Accelerate implementation of grant/capital projects									
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	3 954	4 400	31 357	35 611	36 669	36 669	37 902	31 148	31 148
	Optimise participation of communities in municipal decision making processes									
	Improve communication with BCMM communities and beyond									
	Enhance integrated planning through intergovernmental relations									
BCMM 3:To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	Implement skills development and capacity building programmes to grow and support BCMM economy	6 882	5 200	5 268	3 439	3 439	3 439	–	–	–
	Develop and implement economic development policies/initiative/programmes to promote and support growth both the 1st and 2nd economies									
	Implement the economic infrastructure and capacitation programme									

MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2015/17	Budget Year +2 2017/18
BCMM 4 To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	1 977 296	2 481 429	2 925 776	3 197 800	3 297 743	3 297 743	4 066 206	4 843 826	4 828 084
	Implement an electrification programme to informal dwellings									
	Improve the condition of roads, stormwater system & associated structures to acceptable standards									
	Compliance of Water Treatment Works with SANS 241 requirements									
	Provide households with access to potable water									
	To provide integrated waste management services									
	Implement DVRI Business Plan									
	Rollout of electrification programme									
	To provide integrated waste management services									
	Provision of formal houses as part of Integrated Sustainable Human Settlements									
	Implement the Disaster Management Policy Framework									
	Implement BCMM Crime prevention strategy and Traffic Safety Plan									
	Generate Local Spatial Development Frameworks									
	Implement land acquisition & transfer									
	Implement land release programme									
	Provide integrated and sustainable transport systems by implementing programmes and projects									
	Provision of basic level of sanitation to households									
	Deliver sustainable infrastructure that support social and economic development									
	Provision of adequate Fire & Rescue facilities in BCMM									

MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 5 . To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	3 250	5 155	7 270	8 309	8 309	8 309	11 851	13 144	14 846
	Reduce time taken to conclude disciplinary cases									
	Improve health and safety of BCMM employees and Councillors									
	Provision of ICT systems and infrastrucutre									
	Development and implementation of employee performance management system									
	Improve time and attendance processes									
	Target recruitment and selection processes in terms of BCMM's employment equity plan									
	Train municipal employees									
BCMM 6. To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	455 508	423 594	522 023	497 011	510 582	510 582	542 183	592 124	645 552
	Implementation of integrated environmental and coastal zone management plans									
	Implement Climate Change Strategy									
	To apply waste management hierarchy which favours waste minimisation.									
	Construct new cells and rehabilitate existing cells									
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributi		3 816 291	4 441 676	5 178 402	5 462 122	5 592 616	5 592 616	6 569 960	7 175 752	7 807 703

Table 33: MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1 To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit Improvement Plan towards attainment of an unqualified audit report	308 794	304 717	466 687	381 816	388 248	388 248	466 958	482 530	490 889
	Develop a legally compliant and efficient Supply Chain Management System									
	Implement revenue enhancement strategies									
	Valuation of Properties									
	Maintain favourable cash management procedures									
	Maintain long term borrowing below NT Threshold									
	Accelerate implementation of grant/capital projects									
BCMM 2 To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	141 983	186 449	227 668	245 567	260 941	260 941	266 537	275 284	285 502
	Optimise participation of communities in municipal decision making processes									
	Improve communication with BCMM communities and beyond									
	Enhance integrated planning through intergovernmental relations									

MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure (continued)

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RCMM 3 To generate an enabling environment for an economy that is growing diversifying generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	Implement skills development and capacity building programmes to grow and support RCMM economy	25 791	32 977	34 815	24 278	48 620	48 620	37 662	37 095	124 166
	Develop and implement economic development policies/initiatives/programmes to promote and support growth									
	Implement the economic infrastructure and capacitation programme									
RCMM 4 To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	2 422 078	2 887 206	2 863 372	3 110 518	3 207 418	3 207 418	3 876 880	4 283 672	4 804 748
	Implement an electrification programme to informal dwellings									
	Improve the condition of roads stormwater system & associated structures to acceptable standards									
	Compliance of Water Treatment Works with SANS 241 requirements									
	Provide households with access to potable water									
	To provide integrated waste management services									
	Implement DVRI Business Plan									
	Rollout of electrification programme									
	To provide integrated waste management services									
	Provision of formal houses as part of integrated Sustainable Human Settlements									
	Implement the Disaster Management Policy Framework									
	Implement RCMM Crime prevention strategy and Traffic Safety Plan									
	Generate Local Spatial Development Frameworks									
	Implement land acquisition & transfer									
	Implement land release programme									
	Provide integrated and sustainable transport systems by implementing programmes and projects									
	Provision of basic level of sanitation to households									
	Deliver sustainable infrastructure that support social and economic development									
	Provision of adequate Fire & Rescue facilities in RCMM									

MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure (continued)

Strategic Objective R thousand	Goal	2011/12 Audited Outcome	2012/13 Audited Outcome	2013/14 Audited Outcome	Current Year 2014/15 Original Budget	 Adjusted Budget	 Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	 Budget Year +1 2016/17	 Budget Year +2 2017/18
BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	88 825	98 171	108 364	161 132	164 016	164 016	214 533	218 319	224 886
	Reduce time taken to conclude disciplinary cases									
	Improve health and safety of BCMM employees and Councillors									
	Provision of ICT systems and infrastructure									
	Development and implementation of employee performance management system									
	Improve time and attendance processes									
	Target recruitment and selection processes in terms of BCMM s employment equity plan									
	Train municipal employees									
BCMM 6 To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	665 179	695 731	809 855	824 588	820 285	820 285	888 020	952 154	998 844
	Implementation of integrated coastal and environmental management plans									
	Implement Climate Change Strategy									
	To apply waste management hierarchy which favours waste minimisation									
	Construct new cells and rehabilitate existing cells									
Allocations to other priorities										
Total Expenditure		3 982 611	3 986 249	4 497 830	4 749 700	4 880 429	4 880 429	5 718 686	6 248 982	6 930 014

Table 34: MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1 To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit improvement Plan towards attainment of an unqualified audit report	30 533	28 468	10 982	12 380	11 282	11 282	13 080	13 840	14 755
	Develop a legally compliant and efficient Supply Chain Management System									
	Implement revenue enhancement strategies									
	Valuation of Properties									
	Maintain favourable cash management procedures									
	Maintain long term borrowing below NT Threshold									
	Accelerate implementation of grant/capital projects									
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	2 416	622	3 553	1 000	7 229	7 229	6 200	1 000	1 000
	Optimise participation of communities in municipal decision making processes									
	Improve communication with BCMM communities and beyond									
	Enhance integrated planning through intergovernmental relations									
BCMM 3:To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment	Implement skills development and capacity building programmes to grow and support BCMM economy	–	–	16 035	10 000	10 000	10 000	20 000	10 000	30 000
	Develop and implement economic development pocies/initiative/programmes to promote and support growth both the 1st and 2nd economies									
	Implement the economic infrastructure and capacitation programme									

MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure (continued)

Strategic Objective R thousand	Goal	2011/12 Audited Outcome	2012/13 Audited Outcome	2013/14 Audited Outcome	Current Year 2014/15 Original Budget	Current Year 2014/15 Adjusted Budget	Current Year 2014/15 Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	2015/16 Medium Term Revenue & Expenditure Framework Budget Year +1 2016/17	2015/16 Medium Term Revenue & Expenditure Framework Budget Year +2 2017/18
BCMM 4. To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	184 514	567 376	779 965	905 857	1 117 148	1 117 148	1 214 504	1 304 500	1 474 614
	Implement an electrification programme to informal dwellings									
	Improve the condition of roads, stormwater system & associated structures to acceptable standards									
	Compliance of Water Treatment Works with SANS 241 requirements									
	Provide households with access to potable water									
	To provide integrated waste management services									
	Implement DVRI Business Plan									
	Rollout of electrification programme									
	To provide integrated waste management services									
	Provision of formal houses as part of integrated Sustainable Human Settlements									
	Implement the Disaster Management Policy Framework									
	Implement BCMM Crime prevention strategy and Traffic Safety Plan									
	Generate Local Spatial Development Frameworks									
	Implement land acquisition & transfer									
	Implement land release programme									
	Provide integrated and sustainable transport systems by implementing programmes and projects									
	Provision of basic level of sanitation to households									
	Deliver sustainable infrastructure that support social and economic development									
	Provision of adequate Fire & Rescue facilities in BCMM									

MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure (continued)

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	–	–	33 670	15 100	23 086	23 086	21 600	20 200	500
	Reduce time taken to conclude disciplinary cases									
	Improve health and safety of BCMM employees and Councillors									
	Provision of ICT systems and infrastrucutre									
	Development and implementation of employee performance management system									
	Improve time and attendance processes									
	Target recruitment and selection processes in terms of BCMM's employment equity plan									
	Train municipal employees									
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	–	–	–	–	–	–	–	–	–
	Implementation of integrated environmental and coastal zone management plans									
	Implement Climate Change Strategy									
	To apply waste management hierarchy which favours waste minimisation									
	Construct new cells and rehabilitate existing cells									
Allocations to other priorities										
Total Capital Expenditure		217 484	593 485	844 184	942 007	1 168 745	1 168 745	1 275 354	1 349 540	1 621 089

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance. BCMM is developing a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 35: MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - Infrastructure Services										
Function 1 - Water and Sanitation										
Sub-function 1 - Water Services										
To ensure universal access to potable water within BCMM	Number of households with access to basic level of water supply	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - Sanitation Services										
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning by 2014	Reduction in the sanitation backlog in the number of consumer units with access to at least a basic level of	139 324	143 213	0	146 519	148 519	1 505 519	203 598	205 598	0
Sub-function 3 - Roads and										
To provide an accessible all weather BCMM road network	Kilometers of existng roads maintained	57km	20km	0.0%	83km (Gravel) 26km (surface)	83km (Gravel) 30km (surface)	100km (Gravel) 30km (surface)	150km	200km	0.0%
Function 2 - Energy and Electricity										
Sub-function 1 - Electricity										
Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained	Number of new households (RDP) provided with electricity connections	1000	1200	0	350	1500	1500	1499	1501	0
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										

Table 36: MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.2%	1.6%	2.6%	2.4%	2.3%	2.3%	2.3%	1.8%	1.6%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.3%	1.9%	3.2%	2.9%	2.9%	2.9%	2.9%	2.2%	2.0%	1.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	671.7%	-358.0%	-222.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	24.7%	24.9%	22.7%	20.4%	20.4%	20.4%	20.4%	17.6%	15.2%	13.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.5	2.0	2.6	2.7	2.4	2.4	2.0	3.2	3.2	3.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	2.0	2.6	2.7	2.4	2.4	2.0	3.2	3.2	3.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.5	2.0	1.3	1.1	1.1	1.1	2.3	2.3	2.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	100.0%	94.0%	93.5%	93.5%	93.5%	92.0%	92.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	94.0%	93.5%	93.5%	93.5%	92.0%	92.0%	92.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	16.9%	14.2%	26.3%	25.7%	25.7%	17.7%	13.5%	13.1%	13.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	12.2%	19.0%	4.7%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		29.7%	31.1%	29.0%	48.0%	59.5%	26.8%	26.8%	27.8%	28.7%	28.8%

MBRR Table SA8 - Performance indicators and benchmarks (continued)

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	184 089 641	186 726 282	232 150 005	159 443 792	159 443 792	159 443 792	159 443 792	244 198 296	250 222 442	256 246 587
	Total Cost of Losses (Rand '000)	97 545	113 420	116 389	119 263	119 263	119 263	119 263	188 033	207 685	228 059
	% Volume (units purchased and generated less units sold)/units purchased and generated	13.0%	12.0%	16.0%	10.0%	10.0%	10.0%	10.0%	16.6%	17.0%	17.4%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	30 873 948	29 289 197	25 887 180	26 624 737	26 624 737	26 624 737	26 624 737	25 424 737	24 224 737	24 224 737
	Total Cost of Losses (Rand '000)	105 000	102 924	99 400	98 245	98 245	98 245	98 245	93 817	89 389	89 389
	% Volume (units purchased and generated less units sold)/units purchased and generated	47.0%	46.0%	40.0%	35.0%	35.0%	35.0%	35.0%	30.0%	25.0%	25.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.9%	25.0%	25.4%	26.0%	25.5%	25.5%	25.5%	24.3%	23.4%	23.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.1%	26.1%	26.4%	27.1%	26.5%	26.5%		25.2%	24.4%	24.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.4%	6.7%	6.4%	7.0%	6.7%	6.7%		6.5%	6.7%	6.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	21.8%	19.6%	16.0%	16.2%	15.8%	15.8%	15.8%	13.4%	12.6%	12.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.6	18.6	22.5	24.4	24.4	24.4	19.8	21.3	23.0	25.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.6%	25.9%	21.9%	38.7%	38.6%	38.6%	26.6%	21.3%	20.4%	19.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.8	8.4	8.6	5.0	3.9	8.8	8.8	7.6	7.0	6.8

2.3.1.1 Borrowing management

The City has a credit rating of A- (Short Term) and A (Long Term) together with a low gearing ratio thus enabling the city to borrow capital to fund its revenue generating infrastructure.

However, the city adopts a conservative approach in its ability to borrow due to repayment constraints associated with operational surpluses.

The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF budget:

Capital charges to operating expenditure is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steadily decreasing from 1.8% in 2015/16 to 1.4% in 2017/18. This decrease can be attributed to the fact that no new loans are being entered into in the short-term, however the City is considering taking a new loan in 2017/18 financial year.

2.3.1.2 Safety of capital

The debt-to-equity ratio over the MTREF period reduces from 17.8% in the 2015/16 period to 13% in the 2017/18 period. The ratio indicates a positive trend as debt is being reduced over the redemption period.

2.3.1.3 Liquidity

Current ratio for the 2015/16 MTREF is 3.2:1 and remain constant over the MTERF period. The city is in a position to repay its current liabilities and thus strives to maintain this ratio above the public sector norm of 1.5:1. Included in the current assets is the city's debt book which has a collection ratio of 92% and the recoverability of this is considered to be obtainable.

The liquid ratio for the 2015/16 MTREF is 2.30:1 and remains constant over the MTERF period. The city aims to maintain a consistent stock level over the MTREF period to adequately respond to emergency situations relating to service delivery considerations.

2.3.1.4 Revenue Management

The city has adopted an aggressive Revenue Enhancement Strategy, which includes revenue generation, accuracy of meter reading, regular supplementary valuations, and ensuring all residents receive a correct bill that the city has rendered thereby contributing to the confidence of the consumers. The current collection rate of 92% in the 2014/15 year is expected to improve over the MTREF period to 93%.

2.3.1.5 Creditors Management

The City has managed to ensure that creditors are settled within the legislated 30 days of statement, except for those that are under dispute. SMME's are paid bi-monthly. By applying daily cash flow management the municipality has managed to ensure a 100% compliance.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue is remaining consistent at 24.3% for the MTREF period.
- The Electricity distribution losses was 12.46% as at 30 June 2014, this continues to an area of focus to reduce electricity losses. There is a program to electrify informal dwellings which would also assist in reducing illegal connects. Past performance and projections forward shows that Electricity distribution losses is kept constant at 17%.
- The City has established a Revenue Protection Unit, the main aim of this unit is to reduce the losses; however there is a limit to what can be done with limited resources in the short term and the extent to which losses can be limited.
- The overall average of non-revenue water amounts to 39.47% at 30 June 2014.
- BCMM has developed a Water Conservation and Water Demand Management (WC/WDM) Strategy, which focuses primarily on reducing the level of non-revenue water to enhance both the financial viability of and water supply sustainability to BCM, is for the 5-year period 2015/2016 to 2020/2021 and requires some R200 million to implement over this period.

- The goals set in terms of this Strategy, are the following:
  - Reduction of non-revenue water:
  - Increased billed metered consumption:
  - Reduction of raw water treatment losses:
  - Ability to undertake detailed water balances:
  - Promotion of water use efficiency
- Repairs and maintenance as a percentage of total operating revenue is on average 7% over the 2015/16 MTREF period.

2.3.2 Free Basic Services: Basic Social Services Package for Indigent Households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the City. Only registered indigents qualify for the free basic services.

For the 2015/16 financial year 50 000 registered indigents are targeted to be provided for in the budget for all services including provision of electricity by Eskom in rural areas. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ free water (R66.21), and 50 kwh of electricity (R57.26).

Registered indigents are to receive the following monthly rebates in the 2015/16 financial year:

- Property Rates – R113.92 (based on a property value of R150 000)
- Refuse Removal – R170.74
- Sewerage Charges - R97.21
- Fire Levy – R36.94

2.3.3 Providing Clean Water and Managing Waste Water

The BCMM is the Water Services Authority and has the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorisations made in terms of this Act.

The primary responsibility for Water Services Authority includes:

- ***Ensuring access***: To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made.
- ***Planning***: To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.
- ***Regulation***: To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by DWAF through the enactment of by-laws and the regulation of contracts.
- ***Provision***: To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

BCMM provides approximately 60% of bulk potable water through Umzonyana Water Treatment Works and KWT Water Treatment Works, 40% is provided by Amatola Water as Water Services Provider.

2.3.3.1 Blue Drop Status

Buffalo City Metropolitan Municipality is the best performing municipality in Eastern Cape Province with support from Amatole Water Board as Water Services Provider. The Municipal Blue Drop Score of 92.55% was achieved

2.3.3.2 Green Drop Status

The BCMM had 15 of wastewater collector and treatment systems audited. The BCMM Sanitation Department was the best performing municipality in the Eastern Province:

- 0.9% Municipal Green Drop Score
- 1 Green Drop Awards for 2011/12 (East Bank)

Green Drop Comparisons between the larger Municipalities are as detailed:-

- Buffalo City : 80.9%
- Nelson Mandela : 60.0%

Currently the BCMM is faced with the following water service challenges:

- Capacity of the existing treatment works is inadequate to cater for current and future water demands
- Aging water infrastructure
- High rate of non-revenue water, which is approximately 40%
- Total required funding to build new Water Treatment Works (Kei Road) and bulk pipe lines in KWT and Bhisho to meet housing backlogs and demand is R400 million.

The summary of total required funding to address the issue of bulk water conveyance and treatment works is detailed in the table below:

Table 37: Funding required to address issue of bulk water conveyance and treatment works

PROJECT	SHORT TERM (0-5YRS)	MEDIUM-TERM (5-10YRS)	LONG-TERM (10+YRS)
West Bank Bulk	R 61 949 412	R 130 043 834	R 73 256 280
Umzonyana Gravity	R 147 704 073	R 178 944 434	R 15 288 632
Mdantsane and Dawn Bulk	R 35 861 892	R 131 206 123	R 50 458 453
KWT- Bulk	R 205 154 307	R 71 265 043	R 123 814 081
Nahoon Dam supply augmentation	R 132 000 000		R 242 000 000
TOTAL	**R 582 669 684**	**R 511 459 434**	**R 504 817 446**

The BCMM is undertaking the following to address the challenges facing water services:

- Some of bulk water services infrastructure is inadequate however some of them have been considered under USDG proposed budget.
- Also the implementation of water conservation and water demand management has been considered under own funding.

The following challenges relates to sanitation service:

- Aging sanitation infrastructure whereby the remaining weighted useful life is eight years.
- Some of the Informal Settlements have been serviced with chemical toilets and have now been replaced with semi-permanent ablution facilities and this programme is ongoing under the urban sanitation programme.
- Bulk constraints such as system capacity, hydraulic and biological compliance remain within the conveyance and treatment works.

a) Bulk Sewerage Systems & Rural Sanitation

Sewerage systems in the City are well beyond their design lives, are in poor condition and are operating at capacity. The effect of this situation is that expansion of the city and the housing programme is now severely constrained and the environment is under threat from sewage spills and leakages. The provision of sanitation services is currently being undertaken as follows:

b) Rural

It is anticipated that the level of service for households outside of the Urban Edge will remain at current standards; namely communal standpipes and VIPs (or equivalent). Alternative sanitation technology options are however being investigated to optimise the operation and maintenance implications for BCMM.

The total budget requirement to address rural sanitation backlog mentioned above is R 460 000 000.

c) Urban

The level of service for households within the urban edge will remain as per the current Policy, namely:

- Target level : erf connection and water borne sanitation; and
- Minimum level: yard connection and VIP (or equivalent).

Although the above is the level of service policy of BCMM, the target level of service is tending to be the default option provided.

d) Bulk Water Systems & Rural Water Backlog

The two main towns within BCMM (East London and King Williams Town and their surrounding areas) are experiencing growth at present and yet further growth is anticipated into the future. In addition, the low income housing programme being implemented by the Human Settlement Department will have great impact on the water supply infrastructure, requiring additional capacity to support this development. In the light of the current operational constraints faced by King Williamstown and Gonubie, it is vital to ensure that sufficient resources are located towards the upgrading of the Water Treatment Works (WTW) capacity and bulk infrastructure conveyance. In the consideration the current constraints in All Saints area of KWT and Gonubie an immediate intervention is required to address the issue.

The Water treatment Plants serving BCMM are operated at near capacity for the entire municipality and that is the alarming challenge and table below illustrate that further:

Table 38: Water Treatment Plants

Water treatment Plant (WTP)	Current Flows Peak Flows (Mℓ/d)	Design Capacity (Mℓ/d)	Proposed Capacity (Mℓ/d)
KWT	12.8	13	13
Laing	27	33	40
Nahoon	28	34	86
Umzonyana	111	120	120
Kei Road (new for KWT)			38

Currently the city is busy with the augmentation of Umzonyana Wastewater Treatment Works which will feed into the broader city network up to Mdantsane.

2.4 OVERVIEW OF BUDGET-RELATED POLICIES

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Tariff Policy

In terms of Section 74(1) of the Municipal Systems Act No 32 of 2000, as amended, Council to adopt the draft tariffs policy on 25 March 2015.

2.4.2 Rates Policy

In terms of Section 3 of the Municipal Property Rates Act No. 6 of 2004, the municipality has adopted a rates policy. The policy was approved by Council on 28 May 2014.

2.4.3 Credit Control Policy

The Credit Control and Debt Collection Policy was adopted by Council on 28 May 2014.

2.4.4 Indigent Policy

The Indigent policy was adopted by Council on 28 May 2014.

2.4.5 Investment and Cash Management Policy

In terms of Section 13(2) of the Municipal Finance Management Act No. 56 of 2003, the municipality has adopted an investment and cash management policy. The policy was approved by Council on 29 May 2013. Council to adopt the revised investment and cash management policy on 29 May 2015. The following additions are made:

"Credit Rating

(a) The Municipality shall invest only with investees having an investment grade rating of [AA] or better;

(b) Should the investee's credit rating be downgraded as a result of the sovereign rating being downgraded and fall below the grades specified in (a) above, the municipality shall still be allowed to invest with those investees.

(c) The municipality shall not invest with an investee whose credit rating was downgraded as result of such investee's own financial operations.

(d) The municipality must liquidate an investment where the credit rating falls below the acceptable rate."

Refer to Annexure F for the full revised draft policy

2.4.6 Long-Term Borrowings Policy

A long-term borrowings policy has been developed in compliance with the Municipal Finance and Management Act No. 56 of 2003 and the Municipal Budget and Reporting Regulations on Debt Disclosure The policy was approved by Council on 29 May 2013. Council to adopt the long-term borrowing policy on 29 May 2015. The following changes are made to be aligned with National Treasury Circular 71: Uniform Financial Ratios.

Proposed Changes as per National Treasury Circular 71
(ii) Debt (Total Borrowings) / Revenue A = B / C x 100; were • A = Debt (Total Borrowings) / Revenue • B = (Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) • C = (Total Operating Revenue - Operational Conditional Grants) • Target = Less than 45%
(iii) Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure A = B / C x 100; were • A = Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure

• B = Capital Cost(Interest Paid and Redemption) • C = Total Operating Expenditure and Taxation Expense • Target = Between 6% - 8%
(vii) Current Ratio A = B / C; were • A = Current Ratio • B = Current Assets • C = Current Liabilities • Norm = Between 1.5 - 2:1
(x) Remuneration as % of Total Operating Expenditure A = B / C x 100; were • A = Remuneration as % of Total Operating Expenditure • B = Remuneration (Employee Related Costs and Councillors' Remuneration) • C = Total Operating Expenditure and Taxation Expense • Norm = between 25% - 40%

Refer to Annexure F for the full revised draft policy

2.4.7 Supply Chain Management Policy

In terms of Section 111 of the Municipal Finance and Management Act No. 56 of 2003 the municipality must adopt a Supply Chain Management policy. The reviewed policy was approved by Council on 29 May 2013.

2.4.8 Asset Management Policy

The Asset Management policy was adopted on 29 May 2013 and provides guidance on the management of immovable assets (infrastructure, community facilities, public amenities, investment property and associated land and intangible assets). Council to adopt the revised asset management policy on 29 May 2015. The objective of this policy

is for the municipality to implement prevailing accounting standards; and apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good accounting practice.

2.4.9 Capital Infrastructure Investment Policy

The Capital Infrastructure Investment Policy was adopted on 29 May 2014 and the objective is the adequate maintenance of assets so as to provide a return on the city's investment.

2.4.10 Funding and Reserves Policy

The Funding and Reserves policy was adopted by Council on 29 May 2013 and is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets.

2.4.11 Policy on Long-Term Financial Planning

The Policy on Long Term Financial Planning was adopted by Council on 29 May 2013 and encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets.

2.4.12 Budget Implementation & Management Policy (Virement Policy)

The Budget Implementation & Management Policy (Virement Policy) was adopted by Council on 29 May 2013 and is to effectively and efficiently manage the budget transfers to ensure optimum service delivery.

All the above policies are available and can be viewed on Buffalo City Metropolitan Municipality's Website: www.buffalocity.gov.za.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The 2015/16 – 2017/18 annual budget and MTREF was prepared using 2013/14 financial year's audit outcome and lessons learned from the 2014/15 budget and adjustment budget as a base. The guidelines and assumptions as outlined in the MFMA Circulars (74 and 75), National and Provincial Government priorities, including making reference to the Municipal Reporting and Budget Regulations;

The municipality's revenue strategy is built around the following key components:

- Efficient revenue management, which aims to ensure a 93.5% annual collection rate over the medium term for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Move from a flat-rate billing system to all consumers billed according to consumption;
- Implementation of an automated billing system as opposed to a manual meter reading process;
- Regular Supplementary Valuations performed.
- Implementation of a General Valuation every four years in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

The municipality's expenditure strategy is built around the following key components:

- Our expenditure strategy is ensuring that capital expenditure is incurred in line with the requirements detailed in the Spatial Development Plan to ensure maximum return to the municipality.
- Re-prioritisation of expenditure to ensure any inefficiencies are eliminated to allow for own-funded capital programme.
- Additional funding to be allocated to the maintenance of the infrastructure.

2.5.1 Depreciation

Buffalo City Metropolitan Municipality is attempting to comply with the guidelines provided by National Treasury in relation to future financial sustainability and has therefore implemented a revaluation policy relating to the roads infrastructure assets. It needs to be recognised in the above example that the whole reason for depreciation is to adequately allocate the cost of providing services against the revenue being generated. It further needs to be recognised within the Local Government environment that the resources being accumulated are to allow for the replacement of the asset which was originally created. Taking this into account the assumption would be to replace an asset that has reached the conclusion of its useful life will be the responsibility of Government through the various spheres including Local Government or, failing which, will become the responsibility of National Government. The determining factor would be then how much risk is borne by Local Government versus the risk borne by National Government. In order to adequately allow for the replacement of long term assets in the future, and to reduce the risk being placed on National Government to allow for the replacement, Buffalo City Metropolitan Municipality has implemented the revaluation policy for long term road assets. This does have the effect of increasing the monthly tariff to the local consumer, however it will allow for resources to be available to replace infrastructure assets which have reached the end of their useful lives.

As depreciation is an expenditure item which does not result in an outflow of cash, the effect would be to increase the cash resources that exist at a Local Government level. The express purpose of the increase in the cash resources is to allow for the replacement of infrastructure assets in the future. There is a further risk that a perception could be created with increasing cash resources that these are available for current use. Should these resources be utilised in an attempt to expand the city through the creation of additional infrastructure expansion it could have a severe adverse effect on the operations of the institutions in that any expansion will result in an additional depreciation charge as part of the budgeting process and, furthermore, there will be no funding available at a local government level to allow for the replacement of infrastructure assets which is currently in operation. This would place further risk on National Government to be able to fund the replacement of these infrastructure assets.

It does need to be recognised that, even with the revaluation policy, to replace the asset will still require grants from National Government, however the grant assistance would be less than the amount required assuming the cost basis. This can be seen with the example above in that R1.5 billion will be required if the historical cost basis was used versus R1 billion utilising the revaluation approach.

In the case of Buffalo City Metropolitan Municipality, there is a potential to increase the loan funding available to the institution to allow for the replacement of infrastructure assets as the institution has low gearing. It is recognised that this would be part of a solution to adequately fund the replacement of the infrastructure assets going into the future however this cannot be viewed as the complete solution. It needs to be recognised that there is a cost associated with borrowing funds together with the requirement to repay the capital associated with the loan. If not adequately planned, this could further burden the consumers and also result in asset stripping.

In conclusion, Buffalo City Metropolitan Municipality has recognised the requirement to replace the institutions infrastructure in the future and, together with the guidance being provided by National Treasury to achieve a sustainable institution, is attempting to implement policies which will achieve these goals. The revaluation of long tenure infrastructure assets is an attempt to correctly allocate the use of infrastructure assets against the income being generated thereby allowing for additional resources to be generated at a local government level to be accumulated to prevent the deterioration of services being offered to the consumers. The adverse effect of this policy is that a slightly higher monthly bill is expected to be paid by the consumers in relation to its peers, however this policy is specifically implemented in an attempt to allow for the replacement of infrastructure assets in the future. The institution does recognise that this is not a complete solution to the problem however through a mix of local government resources, budgeted surpluses, long term funding and grants from National Government, all of which are strategically planned for, the institution can allow for the replacement of existing aging infrastructure assets in the future.

2.5.2 General inflation outlook and its impact on the municipal activities

There following are the key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets for inflation is set to be 5.6% for the 2015/16 financial year.
- Salaries are set to increase by CPI (5.6% in 2015) as guided in the MFMA Circular 75.
- Water bulk purchases are set to increase by 8% as negotiated with Amatola Water Board.
- Electricity bulk purchases are set to increase by 14.24% as per the guidelines received from NERSA.
- The city has adopted an aggressive approach with regards to budget on general expenses where cost containment measures have been put in place. There has been however and increase in the amount allocated for indigent subsidy due to anticipated increase in registered indigent consumers.
- Repairs and maintenance has been increased by 14% and constitute 7% of the total operating expenditure. The city has recognized the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard.
- The city approved an Asset Management Policy in the 2012/13 financial year. It was felt that in preparing this policy that the most appropriate valuation model for our roads and storm-water infrastructure as well as municipal properties would be the revaluation approach. The reason for this approach being used was specifically to allow for additional funding to be accumulated to replace and/or refurbish these infrastructure assets in the future. It needs to be recognized that if this approach was not followed there would be significant risk to the national fiscus and by implication National Treasury to be able to allow for significant additional funding for the replacement of these assets in the future. It is further emphasized that this approach is in line with National Treasury guidelines to ensure the institution remains financially viable. The resulting impact of this policy is a significant increase in depreciation being charged on an annual basis which is placing pressure on our operational budget and by inference our tariffs.

The table below indicate the budget assumptions that were used in preparing the 2015/16 MTREF budget:

Table 39: 2014/2015 to 2017/2018 Budget Assumptions

DESCRIPTION	2014/2015	2015/2016	2016/2017	2017/2018
National Treasury Headline Inflation Forecasts	6.20%	5.80%	5.50%	5.30%
Salaries	7.79%	5.60%	5.60%	5.60%
Electricity Purchases	8.06%	14.24%	14.24%	14.24%
Water Purchases	9.30%	8.00%	8.00%	8.00%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R495.54	R542.28	R595.49	R652.00
Equitable Share Allocation	R656,674,000	R655,141,000	R643,419,000	R649,421,000
Bad Debt Provision	7.20%	8%	8%	8%
Rates	0.00%	9.90%	9.60%	9.40%
Refuse	12.50%	9.50%	9.20%	9.00%
Sewerage	10.50%	9.50%	9.20%	9.00%
Electricity	8.50%	12.20%	12.20%	12.20%
Water	14.75%	11.00%	10.70%	10.50%
Fire Levy	9.50%	9.90%	9.60%	9.40%
Sundry Income	9.50%	9.90%	9.60%	9.40%

The city has continued to offer the indigents the free basic subsidy package as indicated below:

Table 40: Indigent Subsidy Package

	Total Per Household 2014/2015	Total Per Household 2015/2016	Total Per Household 2016/2017	Total Per Household 2017/2018
Rates	103.66	113.92	124.86	136.60
Refuse	155.93	170.74	186.45	203.23
Sewerage	88.78	97.21	106.15	115.71
Fire Levy	33.62	36.94	40.49	44.30
Total Monthly Subsidy	381.98	418.82	457.95	499.83
Electricity - 50kwh p.m	51.03	57.26	64.25	72.08
Water - 6kl p.m.	59.65	66.21	73.29	80.99
Total Poor Relief	492.66	542.28	595.49	652.90

The guidance received from National Treasury in respect of DoRA and fuel levy has been included in the 2015/16 MTREF budget. It is noted with some concern the declining nature of Equitable Share across the MTREF period. The institution is concerned as to what impact this would have on the indigent subsidies mentioned above.

Table 41: Proposed tariff increases over the medium-term

DESCRIPTION	2014/2015	2015/2016	2016/2017	2017/2018
Rates	**0.00%**	**9.90%**	**9.60%**	**9.40%**
Refuse	**12.50%**	**9.50%**	**9.20%**	**9.00%**
Sewerage	**10.50%**	**9.50%**	**9.20%**	**9.00%**
Electricity	**8.50%**	**12.20%**	**12.20%**	**12.20%**
Water	**14.75%**	**11.00%**	**10.70%**	**10.50%**
Fire Levy	**9.50%**	**9.90%**	**9.60%**	**9.40%**
Sundry Income	**9.50%**	**9.90%**	**9.60%**	**9.40%**

2.5.3 Credit rating outlook

Table 42: Credit rating outlook

Security class	Currency	Rating	Annual rating 2012/13	Previous Rating
Short term	Rand	A1-	June 2013	A1-
Long-term	Rand	A	June 2013	A
Outlook	Rand	Positive	June 2013	Positive

The service provider will be engaged by the City shortly to conduct an assessment of the 2014/2015 annual financial statements to review and issue a new credit rating for the City.

The rating definitions are:

- Short term: A1- **(single A one minus)**; defined as having a high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

- Long-term: A **(single A)**; defined as having high credit quality. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.

The City's credit rating remained unchanged from the previous year indicating a financially stable environment.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in financing arrangements to minimise its interest rate costs and risk. The average interest rate for borrowings is currently 10.18%. The municipality is has budgeted R54 million in the 2015/16 financial year, R49.2 million and R44 million in the two outer years respectively in respect of its existing long term borrowings. The city is investing its cash reserves on various investing institution in line with the MFMA. The interest rate is currently 5.25% on primary bank account and 5.43% on investment call accounts. An amount of R123 million has been projected in the 2015/16 financial year, R126 million in the 2016/17 financial year and R130 million in the 2017/18 financial year.

2.5.5 Collection rate for revenue services

The rate of revenue collection is currently at 92% of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects. An amount of R245 million contribution towards bad debts has been provided for the 2014/15 financial year and is based on an average collection ratio of 92%.

2.5.6 Growth in the tax base of the municipality

Revenue from own sources is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.7 Salary and Wage increases

The Salary and Wage Collective Agreement regarding salaries/wages came to an end on 30 June 2015. The guidance provided on MFMA Circular 75 has been followed in projecting salary and wage increases of CPI.

2.5.8 Impact of National, Provincial and Local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Accelerate Public Infrastructure Investment;
- Support for special economic zones and manufacturing incentives;
- Further expansion of public works programmes
- Investment in renewable energy
- Overhaul procurement and supply chain management
- Creating jobs and reduce poverty
- Skill development;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen

the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.9 Ensuring maintenance of existing assets

Table 43: Provision for Repairs & Maintenance

Provision for Repairs and Maintenance	2014/2015 Budget	2015/2016 Budget	2016/2017 Budget	2017/2018 Budget
Roads	75 239 597	86 525 536	99 504 367	114 430 022
% Increase on Previous Year	15.00%	15.00%	15.00%	15.00%
	11 285 940	12 978 830	14 925 655	17 164 503
Total	86 525 536	99 504 367	114 430 022	131 594 525
Refuse Service Tariff Income	251 704 249	286 062 521	312 380 272	340 494 497
% of Tariff Income	8.00%	8.00%	8.00%	8.00%
	20 136 340	22 885 002	24 990 422	27 239 560
Sewerage Service Tariff Income	252 868 652	296 204 528	323 455 344	352 566 325
% of Tariff Income	10.00%	10.00%	10.00%	10.00%
Total	25 286 865	29 620 453	32 345 534	35 256 633
Electricity Service Tariff Income	1 511 511 928	1 658 668 925	1 861 026 534	2 068 071 771
% of Tariff Income	10.00%	9.80%	9.55%	9.00%
	151 151 193	162 549 555	177 728 034	187 926 459
Transfer to Capital Re-Furbishment	(40 000 000)	(50 000 000)	(60 000 000)	(60 000 000)
Total	111 151 193	112 549 555	117 728 034	127 926 459
Water Service Tariff Income	370 613 268	424 352 192	484 610 203	552 455 632
% of Tariff Income	10.00%	10.00%	10.00%	10.00%
Total	37 061 327	42 435 219	48 461 020	55 245 563
Services Repairs and Maintenance	280 161 261	306 994 595	337 955 032	377 262 740
Other Repairs and Maintenance	52 087 558	65 015 115	79 039 650	73 349 243
Operational Repairs & Maintenance	332 248 819	372 009 710	416 994 682	450 611 983
Add Back - Trf to Cap. Re-Furbishment		0	0	0
Total Repairs and Maintenance	332 248 819	372 009 710	416 994 682	450 611 983

Repairs and maintenance has been budgeted 7% of the total operating expenditure. The city has recognised the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard. Substantial budget allocation has been made for renewal of existing assets as detailed in the capital program section.

2.5.10 Ability of the municipality to spend and deliver on the programmes

It is anticipated that with the establishment of the Enterprise Project Management Office (EPMO) Office capital spending will improve in the MTREF period.

2.6 OVERVIEW OF BUDGET FUNDING

The 2015/16 MTREF budget is fully funded utilising receipts from the following funding sources:

- Own Funds
- Division of Revenue Act (National Revenue Fund) including Equitable Share
- Provincial Government
- Fuel levy
- Other Grants and subsidies

2.6.1 Proposed Tariff Increases over the Medium-term

Consideration of bad economic climate that is affecting the city's consumers was taken into consideration when determining the tariff increases. Ensuring that tariff are fully recovering the costs of running the service was also given high consideration in determining the tariff increases.

The table below reflects the proposed tariffs for the 2015/2016 MTREF period.

Table 44: Proposed tariff increases 2015/16 to 2017/18

DESCRIPTION	2015/2016	2016/2017	2017/2018
Rates	**9.90%**	**9.60%**	**9.40%**
Refuse	**9.50%**	**9.20%**	**9.00%**
Sewerage	**9.50%**	**9.20%**	**9.00%**
Electricity	**12.20%**	**12.20%**	**12.20%**
Water	**11.00%**	**10.70%**	**10.50%**
Fire Levy	**9.90%**	**9.60%**	**9.40%**
Sundry Income	**9.90%**	**9.60%**	**9.40%**

2.6.2 Detailed Investment

The tables below provide detail investment information and investment particulars by maturity.

Table 45: MBRR Table SA15 – Detail Investment Information

Investment type / R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Securities - National Government	–	–	–	–	–	–	–	–	–
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Municipal Bonds	–	–	–	–	–	–	–	–	–
Municipality sub-total	1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883
Entities									
Securities - National Government	–	–	–	–	–	–	–	–	–
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Entities sub-total	–	–	–	–	–	–	–	–	–
Consolidated total:	1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883

Table 46: MBRR Table SA16 – Investment particulars by maturity

Investments by Maturity / Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality													
RMB	Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various	575 858	30 733	–	–	606 591
Standard Bank	Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various	287 929	15 366	–	–	303 295
Stanlib	Various	Short Term / Call	No	Variable	6.26% - 6.27%	0	N/A	Various	287 929	15 366	–	–	303 295
ABSA	Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various	575 858	30 733	–	–	606 591
Nedbank	Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various	575 858	30 733	–	–	606 591
									–	–	–	–	–
Municipality sub-total									2 303 434		–	–	2 426 364
Entities													–
													–
Entities sub-total									–		–	–	–
TOTAL INVESTMENTS AND INTEREST									2 303 434		–	–	2 426 364

2.6.3 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 47: MBRR Table A5 - Sources of capital revenue over the MTREF

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funded by:										
National Government	144 991	515 570	734 503	671 925	664 712	664 712	664 712	742 884	818 419	911 943
Provincial Government	6 010	-	-	28 857	55 688	55 688	55 688	107 469	106 300	65 000
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	151 001	515 570	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Public contributions & donations	730	-	-	-	459	459	459	-	-	-
Borrowing	17 674	18 146	-	-	-	-	-	-	-	-
Internally generated funds	48 059	59 769	109 692	241 226	447 886	447 886	447 886	425 002	424 821	544 126
Total Capital Funding	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069

2.6.4 Details of Borrowings

The repayment of capital and interest (debt services costs) has substantially increased over the past three years. In the 2015/16 MTREF budget no projects are funded from borrowings. However BCMM is currently developing a long-term financial plan which covers a ten-year asset replacement and upgrading programme and this will inform external borrowing for income generating infrastructure assets from the current financial year and onwards. Various funding models will be explored to fund the City's identified catalytic projects.

The following table is a detailed analysis of the City's borrowing liability.

Table 48: MBRR Table SA17 - Details of borrowings

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	604 256	597 207	542 574	542 574	542 574	542 574	496 477	445 768	398 126
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	990	3 623	3 425	3 941	3 941	3 941	3 941	3 941	3 425
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Municipality sub-total	605 246	600 830	545 999	546 515	546 515	546 515	500 418	449 709	401 551
Entities									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	605 246	600 830	545 999	546 515	546 515	546 515	500 418	449 709	401 551

2.6.5 Capital Transfers and Grant Receipts

Table 49: MBRR Table SA 18 - Capital transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Capital Transfers and Grants									
National Government:	652 686	542 474	619 676	671 925	664 712	664 712	742 884	818 419	911 943
Urban Settlement Development Grant	423 446	499 474	569 797	639 825	639 025	639 025	679 784	715 222	758 942
Infrastructure Skills Development Grant	–	–	100	100	100	100	100	–	–
Municipal Infrastructure Grant (MIG)	–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management	4 000	10 000	4 579	–	–	–	13 000	5 000	5 000
Public Transport and Systems	180 000	3 000	20 000	–	–	–	–	38 306	82 172
Neighbourhood Development Partnership	–	–	–	5 000	5 000	5 000	20 000	20 000	25 000
Integrated National Electrification Programme	26 895	30 000	25 000	27 000	20 587	20 587	30 000	30 000	30 000
Department of Water Affairs	18 345	–	–	–	–	–	–	–	–
Finance Management	–	–	200	–	–	–	–	–	–
Integrated City Development Grant	–	–	–	–	–	–	–	9 891	10 829
Provincial Government:	30 463	20 880	29 025	28 857	55 432	55 432	107 469	106 380	65 000
Disaster Relief Fund	–	–	–	–	–	–	–	–	–
Human Settlement Development Grant	30 463	20 880	29 025	18 600	–	–	94 400	106 300	65 000
Human Settlement Development Grant - MPCC	–	–	–	10 069	51 657	51 657	13 069	–	–
Dept of Human Settlement Grant - Special Fund	–	–	–	–	700	700	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)	–	–	–	–	2 686	2 686	–	–	–
Dept of Local Government and Traditional Affairs	–	–	–	189	189	189	–	–	–
Dept of Land Affairs	–	–	–	–	–	–	–	–	–
Provincial Treasury	–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)	–	–	–	–	199	199	–	–	–
Dept of Science and Technology	–	–	–	–	–	–	–	–	–
Office of the Premier	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Other grant providers:	760	272	340	–	716	716	–	–	–
BCMET Funding	–	–	–	–	257	257	–	–	–
Public Funding	686	272	340	–	–	–	–	–	–
SIDA	–	–	–	–	–	–	–	–	–
ECDC	–	–	–	–	–	–	–	–	–
European Commission	–	–	–	–	–	–	–	–	–
Lieden	74	–	–	–	459	459	–	–	–
Total Capital Transfers and Grants	683 910	563 626	649 041	700 782	720 859	720 859	850 353	924 719	976 943

2.6.6 Cash Flow Management

BCMM is also projecting a favourable cash position, which currently projected to be R2.3 billion at 30 June 2015 and is projected to be R2.4 billion at 30 June 2016 (2017: R2.5 billion).

Table 50: MBRR Table A7 – Budgeted cash flow

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges	522 514	580 100	672 957	745 363	760 913	760 913	760 913	631 140	910 364	995 236
Service charges	1 754 710	1 965 059	2 198 960	2 278 689	2 254 944	2 254 944	2 254 944	2 471 802	2 751 180	3 060 448
Other revenue	131 123	287 662	433 692	553 197	570 413	570 413	570 413	657 180	695 208	733 234
Government - operating	722 264	723 457	612 167	825 736	929 301	929 301	929 301	1 149 387	1 235 370	1 146 031
Government - capital	186 251	506 406	734 503	700 782	720 859	720 859	720 859	850 353	924 719	976 943
Interest	82 656	106 184	123 654	106 874	106 874	106 874	106 874	152 531	158 829	165 433
Dividends	–	–		0			-	0		
Payments										
Suppliers and employees	(2 619 536)	(2 808 957)	(3 308 223)	(3 507 515)	(3 675 516)	(3 675 516)	(3 675 516)	(4 448 581)	(4 906 784)	(5 204 046)
Finance charges	(70 499)	(67 259)	(65 777)	(59 248)	(59 248)	(59 248)	(59 248)	(54 313)	(49 286)	(44 055)
Transfers and Grants	(112 388)	(115 922)	(144 964)	(204 013)	(195 638)	(195 638)	(195 638)	(258 568)	(281 382)	(305 855)
NET CASH FROM/(USED) OPERATING ACTIVIT	597 097	1 176 732	1 456 969	1 439 866	1 412 901	1 412 901	1 412 901	1 350 929	1 438 217	1 523 370
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	2 610	18 168	767							
Decrease (Increase) in non-current debtors	–	–	-							
Decrease (increase) other non-current receivable	12	13	14	-						
Decrease (increase) in non-current investments	(37)	(36)	892	-				-		
Payments										
Capital assets	(217 896)	(608 431)	(843 732)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 069)
NET CASH FROM/(USED) INVESTING ACTIVITI	(215 310)	(590 286)	(842 058)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 069)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	441 524	(278 943)	(244 040)	–	–	–	–	–	–	157 823
Increase (decrease) in consumer deposits	3 466	8 599	(681)	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(45 020)	5 243	(49 072)	(54 633)	(54 633)	(54 633)	(54 633)	(46 097)	(50 709)	(47 642)
NET CASH FROM/(USED) FINANCING ACTIVIT	399 970	(265 100)	(293 793)	(54 633)	(54 633)	(54 633)	(54 633)	(46 097)	(50 709)	110 181
NET INCREASE/ (DECREASE) IN CASH HELD	781 756	321 346	321 118	443 225	189 523	189 523	189 523	29 477	37 968	112 482
Cash/cash equivalents at the year begin:	740 212	1 521 969	1 843 315	870 044	870 044	2 164 433	2 164 433	2 353 956	2 383 434	2 421 401
Cash/cash equivalents at the year end	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883

2.6.6.1 Cash Backed Reserves/Accumulated Surplus Reconciliation

The table indicates the cash and investments available which increases from R2.4 billion in the 2015/16 financial year to R2.5 billion in the 2017/18 financial year. With the introduction of GRAP the institution was required to account for all assets, including those which had been implemented historically by both pre and post 1994 Governments. This resulted in a significant increase in the accumulated surplus associated with the take on of assets. Furthermore, the institution has implemented the revaluation model for accounting for roads and storm water as well as municipal properties which has contributed further to additional surpluses. In analysing the accumulated depreciation associated with the identified infrastructure assets and comparing that to the net asset position of the institution it has been determined that there is currently a funding deficit of R10 billion required for the future replacement of infrastructure assets.

Table 51: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available										
Cash/cash equivalents at the year end	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Other current investments > 90 days	0	0	0	(0)	(0)	(1 294 389)	(1 294 389)	-	-	-
Non current assets - Investments	857	892	-	-	-	-	-	-	-	-
Cash and investments available:	1 522 826	1 844 207	2 164 433	1 313 269	1 059 567	1 059 567	1 059 567	2 383 434	2 421 401	2 533 883
Application of cash and investments										
Unspent conditional transfers	739 538	460 596	216 555	107 100	107 100	107 100	107 100	112 800	78 300	83 000
Unspent borrowing	-	-	-	-	-	-		-	-	-
Statutory requirements										
Other working capital requirements	1 511	(29 270)	35 391	(530 505)	(530 527)	(530 527)	(169 832)	(41 821)	(51 877)	(59 811)
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	741 049	431 326	251 946	(423 405)	(423 427)	(423 427)	(62 732)	70 979	26 423	23 189
Surplus(shortfall)	781 777	1 412 881	1 912 487	1 736 674	1 482 994	1 482 994	1 122 299	2 312 455	2 394 978	2 510 694

2.6.6.2 Funding compliance measurement

From a cash flow perspective (cash outflow versus cash inflow) the budget is fully funded and is therefore credible. The challenge for the City will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

Table 52: MBRR Table SA10 – Funding compliance measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 955	2 353 956	2 383 434	2 421 401	2 533 883
Cash + investments at the yr end less applications - R'000	18(1)b	781 777	1 412 881	1 912 487	1 736 674	1 482 994	1 482 994	1 122 299	2 312 455	2 394 978	2 510 694
Cash year end/monthly employee/supplier payments	18(1)b	7.8	8.4	8.6	5.0	3.9	8.8	8.8	7.5	7.0	6.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(35 747)	457 000	678 572	1 185 721	1 175 486	1 175 486	1 175 486	851 275	926 800	977 780
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A	5.8%	6.8%	6.0%	(5.7%)	(6.0%)	(6.0%)	5.3%	4.9%	4.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.0%	90.7%	93.9%	92.8%	92.8%	92.8%	92.8%	91.3%	91.3%	91.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	2.6%	4.2%	8.4%	6.3%	5.8%	5.8%	5.8%	6.8%	6.9%	6.9%
Capital payments % of capital expenditure	18(1)c;19	100.2%	102.5%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	664.3%	(358.0%)	(222.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100.2%	100.1%	100.2%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	34.0%	(4.8%)	97.9%	0.0%	0.0%	(31.1%)	(38.4%)	6.2%	5.7%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(24.6%	(37.2%)	122.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	2.1%	2.6%	2.8%	2.8%	2.7%	2.7%	3.5%	3.3%	3.5%	3.6%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	57.3%	53.2%	53.2%	0.0%	58.4%	46.1%	48.0%

2.6.6.3 Cash/cash equivalent position

BCMM is also projecting a favourable cash position, which currently projected to be R2.3 billion at 30 June 2015 and is projected to be R2.3 billion at 30 June 2016 (2017: R2.4 billion and 2018: R2.5 billion).

2.6.6.4 Cost Coverage

The projected cost coverage, including conditional grants is projected to be 7 months at 30 June 2016 and is projected to remain at 7 months over the MTREF period. BCMM maintains a cost coverage of at least 3 months. The average cost coverage over the last 10 months is 7.09 months.

2.6.6.5 Surplus/deficit

The city has adopted the approach to cash back its depreciation on a year-to-year basis in order to renew and/or refurbish its existing infrastructure assets. The projected surplus for the 2015/16 financial year is R922 000.

2.6.6.6 Property Rates/service charge revenue as a percentage increase less macro inflation target

In order for the trading services to breakeven and/or generate a surplus the revenue income percentage increase is set above inflation. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.6.7 Cash receipts as a percentage of ratepayer and other revenue

The rate of revenue collection is currently at 92% of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects.

2.6.6.8 Debt impairment expense as a percentage of billable revenue

An amount of R245 million contribution towards bad debts has been provided for in the 2015/16 financial year of the MTREF and is based on an average collection ratio of 92%.

2.6.6.9 Repairs and maintenance expenditure level

The city is having a consistent trend of spending above 90% of its repairs and maintenance budget. The allocation of repairs and maintenance is 7% of operating

expenditure budget in the MTREF. Substantial own funding has been allocated to renew existing assets

2.6.6.10 Asset renewal/rehabilitation expenditure level

Details of the City's strategy pertaining to asset management and repairs and maintenance is contained in SA34B.

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 53: MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	590 562	661 669	683 033	698 929	699 729	699 729	714 196	696 620	704 510
Local Government Equitable Share	582 812	650 618	653 660	656 674	656 674	656 674	655 141	643 419	649 421
Urban Settlement Development Grant	4 579	6 232	20 855	33 465	34 265	34 265	33 346	33 146	32 146
Finance Management	1 459	1 500	1 294	1 500	1 500	1 500	1 300	1 300	1 300
EPWP Incentive	–	930	3 278	1 890	1 890	1 890	1 149	–	–
Infrastucture Skills Development Grant	–	1 265	3 946	5 400	5 400	5 400	8 400	9 500	11 000
Municipal Infrastructure Grant (MIG)	–	–	–	–	–	–	–	–	–
Municipal Systems Improvement	–	–	–	–	–	–	–	–	–
Department of Water Affairs	1 712	1 126	–	–	–	–	–	–	–
Integrated National Electrification Programme	–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership	–	–	–	–	–	–	–	–	–
Integrated City Development Grant	–	–	–	–	–	–	5 605	–	–
Municipal Human Settlement Capacity Grant	–	–	–	–	–	–	9 253	9 253	10 641
Provincial Government:	47 061	55 722	125 579	122 746	221 486	221 486	531 667	644 531	537 331
Roads Subsidy - Provincial Roads	–	–	1 871	1 871	1 871	1 871	1 871	1 871	1 871
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)	26	–	–	3 745	3 546	3 546	–	–	–
Department of Environmental Affairs (Greening Award)	–	–	–	–	2 500	2 500	–	–	–
Department of Water Affairs	18 928	7 730	2 313	–	–	–	–	–	–
Local Government & Traditional Affairs	200	–	–	9 101	8 369	8 369	2 000	1 000	1 000
Health Subsidy - Primary Health Care	–	–	–	–	–	–	–	–	–
Health Subsidy - ATIC	–	73	2 522	2 522	2 522	2 522	2 522	2 522	2 522
Cooperative Governance and Traditional Affairs	–	–	–	1 049	–	–	–	–	–
Library Subsidy	–	–	3 638	3 638	3 638	3 638	3 638	3 638	3 638
Reclaim Land Claims Commission(RLCC	–	–	228	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)	–	–	–	37	37	37	–	–	–
Dept of Land Affairs	50	1	318	777	152	152	–	–	–
Accreditation Capacity Enhancement Grant	–	–	–	–	–	–	–	–	–
Human Settlement Development Grant	27 858	47 918	114 688	99 938	186 783	186 783	521 656	633 500	528 300
Human Settlement Development Grant - MPCC	–	–	–	–	–	–	–	2 000	–
Office of the Premier	–	–	–	67	67	67	–	–	–
District Municipality:	–	1 754	–	–	–	–	–	–	–
Health Subsidy - Environmental Health	–	1 754	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Other grant providers:	2 394	4 312	3 003	6 856	8 006	8 006	3 329	3 196	3 196
SETA - Skills Development	1 079	3 890	2 795	2 795	2 795	2 795	2 989	3 196	3 196
SETA - Councillor Training	–	–	–	–	–	–	–	–	–
Donor Funding - Leiden & Galve	421	414	209	136	136	136	–	–	–
Salaida	279	9	–	–	–	–	–	–	–
Trust Funds	16	–	–	2 715	2 782	2 782	–	–	–
Umsobomvu Youth Fund	–	–	–	710	745	745	–	–	–
BCMET Funding	281	–	–	–	–	–	–	–	–
Donor Funding - European Commission	318	–	–	500	500	500	340	–	–
DBSA	–	–	–	–	–	–	–	–	–
LOTTO	–	–	–	–	–	–	–	–	–
Vuna Award	–	–	–	–	1 049	1 049	–	–	–
SIDA	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	640 018	723 457	811 614	828 531	929 221	929 221	1 249 211	1 344 347	1 245 037

MBRR Table SA19 - Expenditure on transfers and grant programmes (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Capital expenditure of Transfers and Grants									
National Government:	160 391	509 146	722 854	571 925	664 712	664 712	742 884	818 419	911 943
Urban Settlement Development Grant	151 552	465 008	693 162	539 825	639 025	639 025	679 784	715 222	758 942
Infrastructure Skills Development Grant	–	655	23	100	100	100	100	–	–
Municipal Infrastructure Grant (MIG)	2 987	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management	3 927	10 071	4 578	–	–	–	13 000	5 000	5 000
Public Transport and Systems	1 283	133	–	–	–	–	–	38 306	82 172
Neighbourhood Development Partnership	–	–	–	5 000	5 000	5 000	20 000	20 000	25 000
Integrated National Electrification Programme	20 641	33 278	24 997	27 000	20 587	20 587	30 000	30 000	30 000
Department of Water Affairs	–	–	–	–	–	–	–	–	–
Finance Management	–	–	–	–	–	–	–	–	–
Integrated City Development Grant	–	–	94	–	–	–	–	9 891	10 829
Provincial Government:	6 443	6 220	10 506	28 857	55 432	55 432	107 469	106 300	65 000
Disaster Relief Fund	198	–	–	–	–	–	–	–	–
Human Settlement Development Grant	4 100	6 220	9 460	18 600	–	–	94 400	106 300	65 000
Human Settlement Development Grant - MPCC	–	–	–	10 069	51 657	51 657	13 069	–	–
Dept of Human Settlement Grant - Special Fund	–	–	–	–	700	700	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)	1 219	–	1 046	–	2 686	2 686	–	–	–
Dept of Local Government and Traditional Affairs	–	–	–	189	189	189	–	–	–
Dept of Land Affairs	–	–	–	–	–	–	–	–	–
Provincial Treasury	342	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)	–	–	–	–	199	199	–	–	–
Dept of Science and Technology	150	–	–	–	–	–	–	–	–
Office of the Premier	433	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Other grant providers:	730	205	1 143	–	716	716	–	–	–
BCMET Funding	–	205	1 143	–	257	257	–	–	–
Public Funding	–	–	–	–	–	–	–	–	–
SIDA	–	–	–	–	–	–	–	–	–
ECDC	–	–	–	–	–	–	–	–	–
European Commission	–	–	–	–	–	–	–	–	–
Lieden	730	–	–	–	459	459	–	–	–
Total capital expenditure of Transfers and Grants	187 564	515 570	734 503	700 782	720 859	720 859	850 353	924 719	976 943
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	827 581	1 239 027	1 546 117	1 529 313	1 650 079	1 650 079	2 099 564	2 269 066	2 221 980

Table 54: MBRR Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	130 094	67 401	(20 847)	–	–	–	–	–	–
Current year receipts	581 254	647 124	706 873	698 929	699 729	699 729	714 196	696 620	704 510
Conditions met - transferred to revenue	711 348	712 891	685 033	698 929	699 729	699 729	714 196	696 620	704 510
Conditions still to be met - transferred to liabilities	(1)	1 634	2 994	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	31 496	169 490	172 729	–	–	–	–	–	–
Current year receipts	146 363	5 831	103 141	122 746	221 486	221 486	531 667	644 531	537 331
Conditions met - transferred to revenue	6 390	6 439	126 131	122 746	221 486	221 486	531 667	644 531	537 331
Conditions still to be met - transferred to liabilities	171 470	168 882	149 739	–	–	–	–	–	–
District Municipality:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	1 288	–	–	–	–	–	–
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	–	–	1 288	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	16 500	17 229	16 052	–	–	–	–	–	–
Current year receipts	5 181	3 656	4 186	6 856	8 006	8 006	3 451	1 643	3 845
Conditions met - transferred to revenue	6 432	4 127	3 003	6 856	8 086	8 086	3 451	1 643	3 845
Conditions still to be met - transferred to liabilities	15 249	16 758	17 234	–	(80)	(80)	–	–	–
Total operating transfers and grants revenue	724 170	723 457	812 167	828 531	929 301	929 301	1 249 333	1 342 793	1 245 686
Total operating transfers and grants - CTBM	186 718	187 274	171 258	–	(80)	(80)	–	–	–
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	5 841	227 220	112 078	–	–	–	–	–	–
Current year receipts	652 886	542 474	619 676	671 925	664 712	664 712	742 884	818 419	911 943
Conditions met - transferred to revenue	118 480	509 148	722 854	671 925	664 712	664 712	742 884	818 419	911 943
Conditions still to be met - transferred to liabilities	540 047	260 546	6 900	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	11 948	10 727	18 687	–	–	–	–	–	–
Current year receipts	30 463	6 220	29 025	28 857	55 432	55 432	107 469	106 300	65 000
Conditions met - transferred to revenue	31 684	6 220	10 506	28 857	55 432	55 432	107 469	106 300	65 000
Conditions still to be met - transferred to liabilities	10 727	10 727	35 207	–	–	–	–	–	–
District Municipality:									
Balance unspent at beginning of the year	1 979	1 979	1 979	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	1 979	1 979	1 979	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	144	67	18	–	–	–	–	–	–
Current year receipts	760	205	340	–	257	257	–	–	–
Conditions met - transferred to revenue	837	205	1 143	–	257	257	–	–	–
Conditions still to be met - transferred to liabilities	67	67	(765)	–	–	–	–	–	–
Total capital transfers and grants revenue	151 001	515 570	734 503	700 782	720 400	720 400	850 353	924 719	976 943
Total capital transfers and grants - CTBM	552 821	273 322	45 301	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	875 171	1 239 027	1 546 670	1 529 313	1 649 701	1 649 701	2 099 686	2 267 513	2 222 629
TOTAL TRANSFERS AND GRANTS - CTBM	739 539	460 596	216 558	–	(80)	(80)	–	–	–

2.8 COUNCILLOR AND EMPLOYEE BENEFITS

Table 55: MBRR Table SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	30 978	28 509	27 566	31 286	31 286	31 286	31 903	34 136	36 525
Pension and UIF Contributions	1 855	2 627	2 833	3 303	3 303	3 303	3 328	3 561	3 811
Medical Aid Contributions	795	1 031	1 388	1 524	1 524	1 524	1 856	1 986	2 125
Motor Vehicle Allowance	7 076	10 414	10 796	12 907	12 907	12 907	12 944	13 850	14 820
Cellphone Allowance	–	–	–	–	–	–	–	–	–
Housing Allowances	2 262	2 690	2 525	3 234	3 234	3 234	2 879	3 081	3 297
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	42 966	43 331	45 088	52 254	52 254	52 254	52 910	56 614	60 577
% increase		0.9%	4.1%	15.9%	–	–	1.3%	7.0%	7.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 840	4 154	3 537	8 717	13 628	13 628	15 026	15 867	16 758
Pension and UIF Contributions	854	590	667	1 580	2 247	2 247	2 734	2 886	3 046
Medical Aid Contributions	79	48	103	205	205	205	266	281	297
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	884	651	808	2 277	2 894	2 894	2 738	2 891	3 053
Cellphone Allowance	–	–	–	–	–	–	–	–	–
Housing Allowances	36	4	–	77	77	77	83	83	83
Other benefits and allowances	2 039	1 267	959	1 621	1 652	1 652	2 273	2 400	2 534
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	33	–	–	36	38	40
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	9 733	6 715	6 074	14 510	20 704	20 704	23 157	24 447	25 810
% increase		(31.0%)	(9.5%)	138.9%	42.7%	–	11.8%	5.6%	5.6%
Other Municipal Staff									
Basic Salaries and Wages	596 333	606 290	654 048	775 458	773 874	773 874	851 398	899 393	949 762
Pension and UIF Contributions	115 507	118 568	126 960	144 765	145 200	145 200	155 271	163 810	172 815
Medical Aid Contributions	40 331	42 170	46 769	57 614	58 141	58 141	96 719	102 135	107 854
Overtime	50 916	62 099	80 707	57 128	57 148	57 148	60 348	63 728	67 297
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	17 834	16 766	17 823	25 328	24 175	24 175	26 800	28 301	29 885
Cellphone Allowance	–	–	–	–	–	–	–	–	–
Housing Allowances	3 734	3 504	3 219	7 313	7 300	7 300	10 185	10 185	10 185
Other benefits and allowances	84 466	92 356	156 712	125 372	124 969	124 969	139 402	147 183	155 400
Payments in lieu of leave	25 320	20 868	22 094	13 000	13 000	13 000	7 307	7 819	8 368
Long service awards	12 194	13 225	14 840	16 727	16 613	16 613	17 033	17 987	18 994
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	946 633	975 846	1 123 172	1 222 705	1 220 421	1 220 421	1 364 462	1 440 540	1 520 556
% increase		3.1%	15.1%	8.9%	(0.2%)	–	11.8%	5.6%	5.6%
Total Parent Municipality	999 331	1 025 891	1 174 333	1 289 469	1 293 379	1 293 379	1 440 529	1 521 601	1 606 945

Table 56: MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Salary 1.	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors						
Speaker	616 356	106 558	304 346			1 027 260
Chief Whip	–	–	–			–
Executive Mayor	770 445	14 096	499 534			1 284 075
Deputy Executive Mayor	616 356	92 453	318 451			1 027 260
Executive Committee	5 778 333	668 729	3 183 493			9 630 555
Total for all other councillors	24 121 244	4 302 111	11 517 685			39 941 040
Total Councillors	**31 902 735**	**5 183 948**	**15 823 509**			**52 910 192**
Senior Managers of the Municipality						
Municipal Manager (MM)	2 327 222	468 099	602 347	–		3 397 669
Chief Finance Officer	963 820	215 564	404 365	–		1 583 749
Director of Engineering Services	1 139 719	220 578	385 960	–		1 746 256
Director of Public Safety and Health	1 116 450	200 961	428 845	–		1 746 256
Director Of Community Services	1 132 778	203 900	409 579	–		1 746 256
Other	8 345 706	1 668 456	2 922 192	–		12 936 354
List of each offical with packages >= senior manager						
List of each offical with packages >= senior manager	–	–	–	–		–
Head: Internal Audit & Performance Management	–	–	–	–		–
Head: Geographical Information & Policy	–	–	–	–		–
	–	–	–	–		–
Total Senior Managers of the Municipality	**15 025 694**	**2 977 557**	**5 153 288**	**–**		**23 156 539**

Table 57: MBRR Table SA24 – summary of personnel numbers

Summary of Personnel Numbers	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	117	–	117	117	–	117	119	–	119
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	10	–	10	11	1	10	12	2	10
Other Managers	38	20	18	40	23	17	43	26	17
Professionals	*160*	*160*	–	*160*	*160*	–	*190*	*190*	–
Finance	67	67	–	65	65	–	93	93	–
Spatial/town planning	10	10	–	10	10	–	10	10	–
Information Technology	3	3	–	3	3	–	3	3	–
Roads	3	3	–	3	3	–	3	3	–
Electricity	8	8	–	8	8	–	8	8	–
Water	5	5	–	5	5	–	5	5	–
Sanitation	4	4	–	4	4	–	4	4	–
Refuse	1	1	–	1	1	–	1	1	–
Other	59	59	–	61	61	–	63	63	–
Technicians	*290*	*290*	–	*285*	*285*	–	*287*	*287*	–
Finance	9	9	–	9	9	–	9	9	–
Spatial/town planning	15	15	–	15	15	–	15	15	–
Information Technology	13	13	–	13	13	–	13	13	–
Roads	6	6	–	6	6	–	6	6	–
Electricity	10	10	–	10	10	–	10	10	–
Water	27	27	–	27	27	–	27	27	–
Sanitation	16	16	–	16	16	–	16	16	–
Refuse	7	7	–	7	7	–	7	7	–
Other	187	187	–	182	182	–	184	184	–
Clerks (Clerical and administrative)	1 151	1 117	34	1 204	1 172	32	1 308	1 277	31
Service and sales workers	865	864	1	891	879	12	689	677	12
Skilled agricultural and fishery workers	214	214	–	212	212	–	212	212	–
Craft and related trades	383	383	–	381	381	–	382	382	–
Plant and Machine Operators	750	750	–	750	750	–	748	748	–
Elementary Occupations	1 416	1 416	–	1 408	1 408	–	1 415	1 415	–
TOTAL PERSONNEL NUMBERS	5 394	5 214	180	5 459	5 271	188	5 405	5 216	189
% increase				1.2%	1.1%	4.4%	(1.0%)	(1.0%)	0.5%
Total municipal employees headcount	5 277	5 214	63	5 342	5 271	71	5 286	5 216	70
Finance personnel headcount	614	602	12	643	631	12	766	754	12
Human Resources personnel headcount	184	180	4	197	193	4	197	185	12

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 58: MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure *to be appropriated*															
Vote 1 - Directorate - Executive Support Services	-	533	730	358	1 076	564	231	511	421	355	960	460	6 200	500	500
Vote 2 - Directorate - Municipal Manager	-	21	13	-	-	-	-	4	6	30	93	21 333	21 500	31 891	37 829
Vote 3 - Directorate - Chief Operations Officer	-	5 375	1 732	3 053	1 723	4 030	299	777	2 077	3 124	4 767	184 468	211 424	323 360	386 580
Vote 4 - Directorate - Chief Financial Officer	5	293	303	817	529	884	220	1 462	1 440	925	2 385	736	10 000	10 500	10 500
Vote 5 - Directorate - Corporate Services	-	10	164	417	67	761	359	187	350	302	521	18 463	21 600	20 200	500
Vote 6 - Directorate - Engineering Services	2 281	20 769	17 379	35 825	32 393	33 461	24 258	24 516	38 818	53 688	44 369	492 800	820 556	713 276	751 198
Vote 7 - Directorate - Development Planning	100	1 253	2 485	2 307	4 837	6 624	1 820	4 146	4 218	6 550	7 533	26 349	68 221	163 611	225 022
Vote 8 - Directorate - Health & Public Safety	93	12	1 925	2 346	2 099	3 365	2 191	396	1 330	3 204	3 046	1 735	21 650	28 540	22 655
Vote 9 - Directorate - Community Services	59	1 855	122	440	700	1 286	235	834	2 402	840	1 477	83 955	94 204	57 662	86 285
Capital multi-year expenditure sub-total	2 538	30 122	24 852	45 563	43 333	50 976	29 612	32 833	51 060	69 017	65 150	830 300	1 275 354	1 349 540	1 521 069
Single-year expenditure *to be appropriated*															
Vote 1 - Directorate - Executive Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Chief Operations Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Chief Financial Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Engineering Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Development Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health & Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2 538	30 122	24 852	45 563	43 333	50 976	29 612	32 833	51 060	69 017	65 150	830 300	1 275 354	1 349 540	1 521 069

Table 59: MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/16
Capital Expenditure - Standard															
Governance and administration	5	836	1 196	1 592	1 671	2 210	810	2 160	2 211	1 562	3 866	41 160	59 300	63 091	49 329
Executive and council	–	533	730	358	1 076	564	231	511	421	355	960	21 960	27 700	32 391	38 329
Budget and treasury office	5	293	303	817	529	884	220	1 462	1 440	925	2 385	736	10 000	10 500	10 500
Corporate services	–	10	164	417	67	761	359	187	350	302	521	18 463	21 600	20 200	500
Community and public safety	152	6 979	3 299	5 013	3 434	7 692	2 055	4 187	5 159	6 234	9 032	252 332	305 568	394 150	494 520
Community and social services	59	856	1 302	1 899	1 439	2 706	1 484	2 032	2 639	1 882	3 403	20 569	40 269	17 500	46 460
Sport and recreation	93	395	197	63	120	888	98	1 204	307	468	689	27 703	32 225	24 750	38 825
Public safety	–	354	68	17	153	109	175	174	137	781	174	19 530	21 650	28 540	22 655
Housing	–	5 375	1 732	3 034	1 723	3 988	299	777	2 077	3 124	4 767	184 529	211 424	323 360	386 580
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services	458	7 282	13 492	10 531	18 407	16 993	7 071	10 153	21 427	27 161	31 003	169 243	333 221	423 611	449 922
Planning and development	100	1 421	2 635	2 761	4 948	6 884	1 833	6 779	4 353	7 017	6 576	22 913	68 221	163 611	225 022
Road transport	358	5 861	10 857	7 770	13 459	10 110	5 238	3 374	17 074	20 143	24 427	146 330	265 000	260 000	224 900
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	1 923	15 012	6 763	19 380	19 592	24 016	18 311	16 166	21 634	29 102	19 331	338 035	529 266	450 688	496 798
Electricity	28	27	233	6 435	4 179	6 198	5 669	6 573	4 537	12 034	7 315	105 270	158 500	171 500	111 500
Water	1 358	7 334	3 626	1 467	3 381	11 372	11 052	4 989	7 737	8 811	7 501	22 372	91 000	91 000	91 000
Waste water management	530	7 548	2 657	11 143	11 321	5 731	1 031	4 144	8 924	7 776	4 477	192 768	258 056	172 776	293 298
Waste management	–	104	247	334	712	715	558	460	436	481	38	17 625	21 710	15 412	1 000
Other	–	12	101	9 047	230	65	1 365	166	629	4 938	1 918	29 530	48 000	18 000	30 500
Total Capital Expenditure - Standard	2 538	30 122	24 852	45 563	43 333	50 976	29 612	32 833	51 060	69 017	65 150	830 300	1 275 354	1 349 540	1 521 069
Funded by:															
National Government	–	–	–	–	–	–	–	–	–	–	–	742 884	742 884	818 419	911 943
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	107 469	107 469	106 300	65 000
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–	–	850 353	850 353	924 719	976 943
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–	–	425 002	425 002	424 821	544 126
Total Capital Funding	–	–	–	–	–	–	–	–	–	–	–	1 275 354	1 275 354	1 349 540	1 521 069

Table 60: MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	43 714	70 847	841	65 088	63 526	63 766	67 994	78 455	83 685	88 916	99 376	104 607	830 615	909 778	994 584
Property rates - penalties & collection charges	69	93	–	94	93	94	11	12	13	14	16	16	525	586	652
Service charges - electricity revenue	4 528	229 195	8 934	123 957	105 670	98 506	124 174	143 278	152 830	162 382	181 488	191 038	1 525 978	1 712 147	1 921 028
Service charges - water revenue	36 770	27 822	(978)	30 740	257 067	(176 365)	26 444	30 512	32 546	34 580	38 649	40 683	378 470	418 967	462 958
Service charges - sanitation revenue	247 378	(3 810)	(90)	22 556	137	45 571	(2 904)	(3 351)	(3 574)	(3 797)	(4 244)	(4 467)	289 405	316 041	344 496
Service charges - refuse revenue	20 333	19 937	59	20 206	20 157	20 209	21 096	24 342	25 964	27 587	30 833	32 455	263 178	287 390	313 255
Service charges - other	6 281	4 296	415	3 555	2 560	3 308	(734)	(847)	(903)	(960)	(1 072)	(1 129)	14 771	16 637	18 711
Rental of facilities and equipment	696	1 420	138	957	817	818	1 598	1 644	1 967	2 090	2 336	2 459	17 139	18 787	20 512
Interest earned - external investments	730	16 401	–	6 675	8 446	7 905	10 501	12 116	12 924	13 732	15 347	16 155	122 930	126 416	130 006
Interest earned - outstanding debtors	2 286	2 357	(6)	2 617	2 666	2 765	2 199	2 537	2 707	2 876	3 214	3 383	29 601	32 413	35 427
Dividends received	–	–	–	–	–	–	0	0	0	0	0	0	0	–	–
Fines	136	576	42	207	289	239	1 037	1 197	1 277	1 357	1 516	1 596	9 470	10 369	11 334
Licences and permits	792	1 332	323	1 121	922	861	1 992	2 299	2 452	2 605	2 911	3 065	20 675	22 639	24 744
Agency services	–	–	–	–	–	–	0	0	0	0	0	0	0	0	0
Transfer receipts - operational	239 501	–	–	15 087	15 784	216 683	86 103	99 350	105 973	112 596	125 843	132 466	1 149 387	1 235 370	1 146 031
Other revenue	16 497	122 967	1 923	12 753	6 274	127 019	41 920	48 370	51 594	54 819	61 268	64 493	609 896	643 433	676 644
Cash Receipts by Source	619 710	493 434	11 401	307 614	484 407	411 379	381 432	440 114	469 455	498 796	557 478	586 819	5 262 039	5 750 950	6 100 382
Other Cash Flows by Source															
Transfer receipts - capital	0	–	–	–	0	(0)	110 546	127 553	136 056	144 560	161 567	170 071	850 353	924 719	976 943
Contributions recognised - capital & Contributed a	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	157 823
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivabl	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	619 710	493 434	11 401	307 614	484 407	411 379	491 978	567 667	605 511	643 356	719 045	756 889	6 112 391	6 675 669	7 235 148
Cash Payments by Type															
Employee related costs	88 198	93 490	(94)	96 328	110 240	99 391	117 009	135 011	144 011	153 012	171 013	180 014	1 387 819	1 464 987	1 546 368
Remuneration of councillors	3 783	3 753	–	3 810	3 790	3 766	4 421	5 101	5 441	5 781	6 462	6 802	52 910	56 614	60 577
Finance charges	4 937	4 937	–	5 370	5 370	5 370	3 683	4 249	4 532	4 816	5 382	5 665	54 313	49 286	44 055
Bulk purchases - Electricity	143 484	136 355	–	96 974	90 093	82 812	83 343	96 165	102 578	108 987	121 809	128 220	1 190 815	1 360 388	1 554 107
Bulk purchases - Water & Sewer	–	–	–	–	–	–	24 206	27 929	29 791	31 653	35 377	37 239	186 196	201 092	217 179
Other materials	–	–	–	–	–	–	0	0	0	0	0	0	0	0	0
Contracted services	256	1 575	465	1 694	1 443	2 768	1 745	2 013	2 147	2 281	2 550	2 684	21 622	23 481	25 453
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	612	13 263	453	14 962	26 004	22 170	23 544	27 166	28 977	30 788	34 410	36 221	258 568	281 382	305 855
Other expenditure	39 484	82 833	30 069	116 920	90 682	109 630	148 177	170 973	182 371	193 770	216 566	227 964	1 609 419	1 800 222	1 800 361
Cash Payments by Type	280 732	336 206	30 893	336 056	327 823	325 908	406 126	468 607	499 847	531 088	593 569	624 809	4 761 463	5 237 452	5 553 956
Other Cash Flows/Payments by Type															
Capital assets	114 782	108 405	70 144	86 724	91 826	57 391	84 939	89 275	106 237	178 550	140 289	146 793	1 275 354	1 349 540	1 521 069
Repayment of borrowing	–	–	13 208	–	–	9 194	–	–	13 831	–	–	9 864	46 097	50 709	47 642
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	395 514	444 611	114 245	422 780	419 448	392 493	491 065	557 882	619 916	709 637	733 858	781 467	6 082 914	6 637 701	7 122 667
NET INCREASE/(DECREASE) IN CASH HELD	224 196	48 823	(102 844)	(115 166)	64 959	18 887	913	9 785	(14 404)	(66 282)	(14 813)	(24 577)	29 477	37 968	112 482
Cash/cash equivalents at the month/year begin:	2 353 956	2 578 152	2 626 975	2 524 131	2 408 965	2 473 924	2 492 811	2 493 724	2 503 509	2 489 105	2 422 824	2 408 011	2 353 956	2 383 434	2 421 401
Cash/cash equivalents at the month/year end	2 578 152	2 626 975	2 524 131	2 408 965	2 473 924	2 492 811	2 493 724	2 503 509	2 489 105	2 422 824	2 408 011	2 383 434	2 383 434	2 421 401	2 533 883

2.10 ANNUAL BUDGET AND SDBIP'S – INTERNAL DEPARTMENTS

In terms of Section 53(1)(c)(ii) the Mayor of a Municipality must take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days after the approval of the budget.

Once the draft budget has been approved by Council on 31 March 2015, the Service Delivery Budget and Implementation Plan will be submitted to the Mayor for consideration and approval by Council.

2.11 ANNUAL BUDGET AND SDBIPS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

The Buffalo City Metropolitan Municipality entity being Buffalo City Development Agency (BCDA) is currently being resuscitated after it was not operational for some time. The Board of Directors have been appointed and they are in the process of recruiting individuals with the required skills to serve the entity.

2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years) unless MFMA Section 33 has been complied with. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Chief Financial Officer.

2.13 CAPITAL EXPENDITURE DETAILS

The following three tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 61: MBRR Table SA34a – Capital expenditure on new assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	166 835	504 323	710 192	225 500	271 349	271 349	158 210	277 718	267 172
Infrastructure - Road transport	37 593	253 915	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Roads, Pavements & Bridges	37 593	253 915	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Storm water	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	45 177	55 173	98 209	45 500	39 087	39 087	66 500	63 500	63 500
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	45 177	55 173	98 209	45 500	39 087	39 087	66 500	63 500	63 500
Street Lighting	–	–	–	–	–	–	–	–	–
Infrastructure - Water	62 613	74 565	87 476	–	–	–	–	–	–
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	62 613	74 565	87 476	–	–	–	–	–	–
Infrastructure - Sanitation	21 450	120 669	170 238	–	–	–	–	–	–
Reticulation	21 450	120 669	170 238	–	–	–	–	–	–
Sewerage purification	–	–	–	–	–	–	–	–	–
Infrastructure - Other	–	–	8 488	70 000	118 522	118 522	71 710	134 218	163 672
Waste Management	–	–	8 488	36 000	79 815	79 815	21 710	15 412	1 000
Transportation	–	–	–	24 000	28 707	28 707	30 000	108 806	132 672
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	10 000	10 000	10 000	20 000	10 000	30 000
Community	6 763	15 988	56 128	22 000	24 960	24 960	35 069	17 000	24 000
Parks & gardens	–	–	–	2 000	3 685	3 685	–	–	7 000
Sportsfields & stadia	–	–	5 264	–	–	–	–	–	–
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	4 797	5 340	4 395	10 000	11 275	11 275	27 069	9 000	9 000
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	1 966	834	1 481	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	10 000	10 000	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	–	9 814	44 988	10 000	–	–	8 000	8 000	8 000
Heritage assets	–	–	2 555	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other	–	–	2 555	–	–	–	–	–	–

MBRR Table SA34a – Capital expenditure on new assets by asset class (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Investment properties	–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Housing development	–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Other	–	–	–	–	–	–	–	–	–
Other assets	40 639	73 175	47 819	65 150	94 078	94 078	125 375	109 281	113 419
General vehicles	22 752	36 339	16 457	18 600	28 160	28 160	48 450	21 850	39 150
Specialised vehicles	–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Plant & equipment	4 564	9 749	6 654	3 500	5 595	5 595	8 675	16 890	10 590
Computers - hardware/equipment	–	–	–	–	3 633	3 633	40 650	36 650	17 190
Furniture and other office equipment	8 369	8 409	19 714	28 550	40 779	40 779	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	2 555	–	5 700	5 700	–	–	–
Other Buildings	4 865	18 678	2 438	5 500	1 612	1 612	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	88	–	–	5 000	5 000	5 000	20 000	29 891	42 489
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Intangibles	3 227	–	27 501	–	–	–	–	–	–
Computers - software & programming	3 227	–	27 501	–	–	–	–	–	–
Other *(list sub-class)*	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	217 464	593 485	844 194	402 186	546 773	546 773	529 928	726 859	790 671

Specialised vehicles	–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Refuse	–	–	–	–	–	–	–	–	–
Fire	–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–

Table 62: MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	–	–	–	491 396	589 230	589 230	686 056	551 276	617 198
Infrastructure - Road transport	–	–	–	88 000	213 459	213 459	245 000	180 000	184 900
Roads, Pavements & Bridges	–	–	–	88 000	213 459	213 459	245 000	180 000	184 900
Storm water	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	–	–	–	89 199	80 000	80 000	92 000	108 000	48 000
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	–	–	–	89 199	80 000	80 000	92 000	108 000	48 000
Street Lighting	–	–	–	–	–	–	–	–	–
Infrastructure - Water	–	–	–	97 689	96 898	96 898	91 000	91 000	91 000
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	–	–	–	97 689	96 898	96 898	91 000	91 000	91 000
Infrastructure - Sanitation	–	–	–	216 508	198 873	198 873	–	–	–
Reticulation	–	–	–	216 508	198 873	198 873	–	–	–
Sewerage purification	–	–	–	–	–	–	–	–	–
Infrastructure - Other	–	–	–	–	–	–	258 056	172 276	293 298
Waste Management	–	–	–	–	–	–	258 056	172 276	293 298
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Community	–	–	–	28 030	21 516	21 516	30 700	24 750	38 250
Parks & gardens	–	–	–	–	–	–	–	–	–
Sportsfields & stadia	–	–	–	24 792	18 678	18 678	22 700	19 750	17 750
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	–	–	–	3 239	2 839	2 839	8 000	5 000	20 500
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–

MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	20 395	11 226	11 226	28 671	46 655	74 950
General vehicles	–	–	–	–	–	–	–	–	–
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	–	–	–	–	–	–	–	–	–
Computers - hardware/equipment	–	–	–	–	–	–	–	–	–
Furniture and other office equipment	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	20 395	11 226	11 226	24 221	46 655	68 200
Other Buildings	–	–	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	4 450	–	6 750
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming	–	–	–	–	–	–	–	–	–
Other *(list sub-class)*	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing	–	–	–	539 821	621 972	621 972	745 427	622 681	730 398
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*0.0%*	*57.3%*	*53.2%*	*53.2%*	*58.4%*	*46.1%*	*48.0%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*0.0%*	*76.0%*	*87.6%*	*87.6%*	*104.7%*	*84.3%*	*94.8%*

Table 63: MBRR Table SA34c – Repairs and maintenance expenditure by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**186 067**	**220 824**	**236 228**	**280 184**	**275 884**	**275 684**	**316 019**	**356 981**	**386 290**
Infrastructure - Road transport	35 099	62 067	62 764	86 549	86 549	86 549	108 529	123 456	140 622
Roads, Pavements & Bridges	30 059	55 427	56 120	78 604	79 304	79 304	99 988	114 274	130 751
Storm water	5 040	6 640	6 644	7 945	7 245	7 245	8 541	9 182	9 870
Infrastructure - Electricity	78 890	100 347	103 884	111 151	109 151	109 151	112 550	127 728	127 926
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	75 685	97 551	100 033	107 011	105 011	105 011	108 099	122 944	122 783
Street Lighting	3 205	2 796	3 850	4 140	4 140	4 140	4 451	4 785	5 143
Infrastructure - Water	37 049	26 976	30 866	37 061	37 061	37 061	42 435	48 461	55 246
Dams & Reservoirs	944	1 021	932	1 194	1 194	1 194	1 283	1 379	1 483
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	36 105	25 955	29 933	35 868	35 868	35 868	41 152	47 082	53 763
Infrastructure - Sanitation	19 208	19 486	23 221	25 287	25 287	25 287	29 620	32 346	35 257
Reticulation	19 208	19 486	23 221	25 287	25 287	25 287	29 620	32 346	35 257
Sewerage purification	–	–	–	–	–	–	–	–	–
Infrastructure - Other	15 821	11 948	15 494	20 136	17 636	17 636	22 885	24 990	27 240
Waste Management	15 821	11 948	15 494	20 136	17 636	17 636	22 885	24 990	27 240
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Community	**14 857**	**19 435**	**22 165**	**16 749**	**16 663**	**16 663**	**17 874**	**19 103**	**20 415**
Parks & gardens	–	–	–	–	–	–	–	–	–
Sportsfields & stadia	420	407	11 248	516	516	516	553	593	636
Swimming pools	334	328	298	385	385	385	413	442	474
Community halls	1 400	398	405	562	562	562	585	610	637
Libraries	680	155	126	265	265	265	253	269	287
Recreational facilities	2 844	11 065	2 285	3 069	3 069	3 069	3 331	3 564	3 813
Fire, safety & emergency	947	991	1 394	2 180	2 180	2 180	2 288	2 455	2 634
Security and policing	1 282	1 518	1 995	1 960	1 960	1 960	2 005	2 149	2 302
Buses	1 270	474	394	2 491	2 491	2 491	2 658	2 831	3 014
Clinics	1 105	24	21	101	14	14	101	107	113
Museums & Art Galleries	369	32	14	67	67	67	71	75	79
Cemeteries	267	233	158	339	339	339	402	429	458
Social rental housing	–	–	–	–	–	–	–	–	–
Other	3 939	3 810	3 828	4 815	4 815	4 815	5 215	5 579	5 967
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–

MBRR Table SA34c – Repairs and maintenance expenditure by asset class (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Other assets	18 397	23 443	27 293	35 315	35 401	35 401	38 117	40 910	43 908
General vehicles	682	764	940	1 594	1 667	1 667	1 021	1 923	2 028
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	–	–	–	–	–	–	–	–	–
Computers - hardware/equipment	403	816	604	991	991	991	1 065	1 145	1 231
Furniture and other office equipment	2	3	0	15	15	15	16	17	18
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	679	738	721	868	868	868	1 009	1 083	1 163
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	1 646	8 091	8 852	9 818	9 818	9 818	10 554	11 346	12 197
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	14 984	13 031	16 176	22 028	22 042	22 042	23 651	25 395	27 270
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other *(list sub-class)*									
Total Repairs and Maintenance Expenditure	219 321	263 702	285 686	332 249	327 749	327 749	372 010	416 995	450 612
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse									
Fire									
Conservancy									
Ambulances									
R&M as a % of PPE	*2.1%*	*2.6%*	*2.8%*	*2.8%*	*2.7%*	*2.7%*	*3.3%*	*3.5%*	*3.6%*
R&M as % Operating Expenditure	*6.0%*	*6.6%*	*6.4%*	*7.0%*	*6.7%*	*6.7%*	*6.5%*	*6.7%*	*6.8%*

Table 64: MBRR Table SA35 – Future financial implications of the capital budget

Vote Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure							
Vote 1 - Directorate - Executive Support Services	6 200	500	500				
Vote 2 - Directorate - Municipal Manager	21 500	31 891	37 829				
Vote 3 - Directorate - Chief Operations Officer	211 424	323 360	386 580				
Vote 4 - Directorate - Chief Financial Officer	10 000	10 500	10 500				
Vote 5 - Directorate - Corporate Services	21 600	20 200	500				
Vote 6 - Directorate - Engineering Services	820 556	713 276	751 198				
Vote 7 - Directorate - Development Planning	68 221	163 611	225 022				
Vote 8 - Directorate - Health & Public Safety	21 650	28 540	22 655				
Vote 9 - Directorate - Community Services	94 204	57 662	86 285				
List entity summary if applicable							
Total Capital Expenditure	**1 275 354**	**1 349 540**	**1 521 069**	**-**	**-**	**-**	**-**

Table 65: MBRR Table SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand		3	3	5		Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:												
List all capital projects grouped by Municipal Vote												
Vote 1 - Executive Support Services	2010 Projects	*Community*	*Stadiums*	*27.905681 -33.007034*	622	–	–	–	–	–	Various	Renewal
	Mayoral Projects	*Community*	*Infrastructure*	*27.904451 -33.014694*	–	–	–	–	–	–	Various	Renewal
	Building Upgrade	*Buildings*	*Buildings(Councillors Offices)*	*2.9879 ,27.8789 -33.0158, 2*	–	–	1 948	–	–	–	Various	Renewal
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*27.903766 -33.013943*	–	3 553	2 996	5 000	500	500	Various	New
	Other	*Other Assets*	*Other Assets*	*27.903766 -33.013944*	–	–	1 784	–	–	–	Various	New
	Vehicles	*Vehicles*	*Vehicles*					1 200	–	–	Various	New
Vote 2 - Municipal Manager's Office	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*27.903766 -33.013944*	–	–	500	1 500	2 000	2 000	Various	New
	Computer Equipment	*Other Assets*	*Computers*	*27.903766 -33.013944*	–	–	1 500	–	–	–	Various	New
	Other	*Other Assets*	*Other Assets*	*27.903766 -33.013944*	–	–	5 000	20 000	29 891	35 829	Various	New
Vote 3 - Chief Operation's Officer	Housing	*Housing*	*Housing*	*2327.874642 -33.0069927.84*	36 692	–	110 072	211 274	322 860	386 080	Various	New
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*27.90387 -33.0139*	–	–	802	150	500	500	Various	New
	DVRI	*Other Assets*	*Other Assets*	*27.90387 -33.0140*	–	–	(10 069)	–	–	–	Various	New
Vote 4 - Directorate of Finance	Building Upgrade	*Buildings*	*Buildings(KWT & Mdt Offices)*	*18711 27.90546 -33.018527.3*	25 488	–	350	–	–	–	Various	New
	Computer Equipment	*Other Assets*	*Computers - CCTV Cameras*	*18711 27.90546 -33.018527.3*	–	–	1 500	–	–	–	Various	New
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*18711 27.90546 -33.018527.3*	–	10 982	932	–	500	500	Various	New
	Asset Repalcements	*Other Assets*	*Other Assets*	*18711 27.90546 -33.018527.3*	–	–	10 000	10 000	10 000	10 000	Various	New
Vote 5 - Directorate of Corporate Services	Computer Equipment	*Other Assets*	*Computers*	*018527.90486 -33.015127.88*	–	33 670	18 016	21 600	20 200	500	Various	New
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*018527.90486 -33.015127.88*	–	–	500	–	–	–	Various	New
	Other	*Other Assets*	*Other Assets*	*018527.90486 -33.015127.88*	–	–	2 500	–	–	–	Various	New
	Building Upgrade	*Other Assets*	*Office Equipment*	*018527.90486 -33.015127.88*	–	–	2 100	–	–	–	Various	Renewal
	Asset Replacements	*Other Assets*	*General vehicles*		–	–	150					

MBRR Table SA36 - Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	Asset Class	Asset Sub Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand		3	3	5		Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:												
List all capital projects grouped by Municipal Vote												
Vote 6 - Directorate of Engineering Services												
	Roads	*Infrastructure*	*Roads*	*32.92444827 875525 -33.003*	143 551	349 727	196 000	285 000	180 000	224 900	Various	New & Renewal
	Sewerage	*Infrastructure*	*Sewerage*	*32.92423727 900472 -33.017*	122 022	-	217 632	258 058	137 000	293 298	Various	New & Renewal
	Electricity	*Infrastructure*	*Electricity reticulation*	*95 -33.0053227 875995 -33.0*	65 883	105 583	134 699	158 500	171 500	111 500	Various	New & Renewal
	Street Lighting	*Infrastructure*	*Street Lighting*	*85 -33.0053227,875995 -33.0*	-	-	-	-	-	-	Various	New & Renewal
	Vehicles	*Other Assets*	*Vehicles*	*4 -32.937827,88826 -33.00582*	-	-	-	-	-	-	Various	New
	Water	*Infrastructure*	*Water reticulation*	*5 -32.84439327,426884 -32.8*	71 359	84 058	98 139	91 000	91 000	91 000	Various	New & Renewal
	Computer Equipment	*Other Assets*	*Computers*	*4 -32.937827,88826 -33.00582*	-	-	-	-	-	-	Various	New
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*4 -32.937827,88826 -33.00582*	-	-	500	-	500	500	Various	New
	Building Upgrade	*Buildings*	*Buildings*	*4 -32.937827,88826 -33.00582*	-	-	-	-	-	-	Various	New & Renewal
	BCMM Fleet	*Vehicles*	*Vehicles*	*4 -32.937827,88826 -33.00582*	-	4 663	25 298	48 000	18 000	30 000	Various	New
Vote 7 - Directorate of Development Planning												
	Land	*Infrastructure*	*Land*	*27.951105 -32.944939*	-	-	5 500	-	-	-	Various	New & Renewal
	Transportation Infrastructure	*Infrastructure*	*Car Parks,Bus termonals & Taxi rank*	*227 890158 -33.00576827 64*	101 008	18 035	24 257	30 000	97 806	121 672	Various	New & Renewal
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*27 90476 -33.0187*	-	-	500	-	500	500	Various	New
	Markets	*Other Assets*	*Buildings*	*91586 -33.006827,94812 -32.9*	-	-	-	-	-	-	Various	New & Renewal
	LED	*Other Assets*	*LED*	*27 90476 -33.0187*	-	-	10 000	20 000	10 000	30 000	Various	New & Renewal
	Other	*Other Assets*	*City Hall and Payments Hall*	*940827 435 -32.851827 7392*	-	-	10 873	-	-	-	Various	New & Renewal
	Other	*Other Assets*	*Other Assets*	*27 82927 -32 9833*	447	-	5 395	10 821	32 255	55 500	Various	New & Renewal
	Other	*Other Assets*	*Buildings*				-	3 000	20 250	16 250	Various	New & Renewal
	Computer Equipment	*Other Assets*	*Computers*				-	4 400	2 800	1 100	Various	New
Vote 8 - Directorate of Health & Public Safety												
	Land & Buildings	*Other Assets*	*Land & Buildings/ Fire Stations*	*27.898957,-32.97489927.740*	-	-	-	-	-	-	Various	New & Renewal
	Land & Buildings	*Other Assets*	*Land & Buildings/ Traffic Building*	*21927.739243,-32.9377727.85*	-	-	4 353	-	-	-	Various	New & Renewal
	Clinics	*Community*	*Clinics*		-	-	216	-	-	-	Various	New & Renewal
	Vehicles	*Other Assets*	*Vehicles*	*21927.739243,-32.9377727.85*	-	-	532	-	-	-	Various	New & Renewal
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*27.898957,-32.97489927.740*	-	-	500	-	500	500	Various	New & Renewal
	Plant & Equipment	*Other Assets*	*Plant & Equipment*	*27.898957,-32.97489927.740*	6 356	5 937	3 418	12 650	22 040	18 155	Various	New & Renewal
	Computer Equipment	*Other Assets*	*Computers*	*27.898957,-32.97489927.740*	-	-	-	-	-	-	Various	New & Renewal
	Other	*Other Assets*	*Other Assets*	*27.898957,-32.97489927.740*	-	-	-	-	-	-	Various	New & Renewal
	Specialised Vehicles	*Other Assets*	*Vehicles(Fire Engines)*	*27.898957,-32.97489927.740*	-	-	4 000	9 000	6 000	4 000	Various	New
Vote 9 - Directorate of Community Services												
	Refuse	*Community*	*Waste Management*	*561 -33.006927,89759 -33.01*	16 916	173 657	94 815	21 710	15 412	1 000	0	New
	Sportsfields	*Community*	*Sportsfields*	*89759 -33.015127,89762 -33.0*	-	-	28 101	21 200	19 750	12 750	0	Renewal
	Halls	*Community*	*Community halls*	*89759 -33.015127,89762 -33.0*	-	-	21 244	27 069	9 000	9 000	0	Renewal
	Recreational Facilities	*Community*	*Recreational Facilities*	*89759 -33.015127,89762 -33.0*	-	-	3 000	13 725	5 000	31 775	0	New & Renewal
	Plant & equipment	*Other Assets*	*Plant & equipment*	*89759 -33.015127,89762 -33.0*	-	56 128	688	-	-	-	0	New
	Office Furniture & Equipment	*Other Assets*	*Office Equipment*	*89759 -33.015127,89762 -33.0*	1 582	-	500	-	500	500	0	New
	Computer Equipment	*Other Assets*	*Computers*	*89759 -33.015127,89762 -33.0*	-	-	-	8 000	8 000	8 000	0	New
	Plant & equipment	*Other Assets*	*Cemetries*	*89759 -33.015127,89762 -33.0*	1 757	-	11 700	-	-	16 260	0	New & Renewal
	Sportsfields	*Community*	*Swimming Pool*	*89759 -33.015127,89762 -33.0*	-	-	-	2 500	-	5 000	0	New & Renewal
	Parks	*Community*	*Parks*	*89759 -33.015127,89762 -33.0*	-	-	2 000	-	-	-	0	New & Renewal
	Asset Replacements	*Other Assets*	*Plant & equipment*	*89759 -33.015127,89762 -33.0*	-	-	-	83	-	-	0	New
Parent Capital expenditure					593 485	844 194	1 056 485	1 275 354	1 234 264	1 521 069		
Entities:												
List all capital projects grouped by Entity												
Entity A												
Water project A												
Entity B												
Electricity project B												
Entity Capital expenditure					-	-	-	-	-	-		
Total Capital expenditure					593 485	844 194	1 056 485	1 275 354	1 234 264	1 521 069		

Table 66: MBRR Table SA37 – Projects delayed from the previous financial year

Municipal Vote/Capital project	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand						Year	Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality:											
List all capital projects grouped by Municipal Vote			*Examples*	*Examples*							
Vote 3 - Chief Operation's Officer		–					–	–	–	–	–
	Reeston Phase 3 Stage 2 -P1 & P3	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	10 000	10 000	5 000	–	–
	Mdantsane Zone 18 CC Phase 2 - P1 & P3	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	2 000	2 000	2 000	–	–
	Manyano & Thembelihle Phase 2 - P1 & P3	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	8 000	4 642	4 000	–	–
	Second Creek (Turn Key) - P1 & P3	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	8 000	4 000	1 000	–	–
	Block Yard TRA - P 1& P3	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	1 000	1 000	300	–	–
	DVRI Pilot Project (Mekeni, Haven Hills, Cor	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	2 500	2 500	270	–	–
	Cluster 3 (Fynbos Informal 1, Fynbos Inform	–	*Housing*	*Housing*	2327.874642 -33.0069927.84	–	7 412	1 077	1 000	–	–
Vote 6 - Directorate of Engineering Services											
	West Bank Restitution	Various	*Roads*	*Roads*	32.92444827.875525 -33.003	–	15 000	15 000	2 000	–	–
	Bufferstrip Sanitation	Various	*Waste Water*	*Waste Water*	32.92423727.900472 -33.017	–	5 400	5 400	2 900	–	–
	Eastern Beach Sewers	Various	*Waste Water*	*Waste Water*	32.92423727.900472 -33.017	–	5 000	5 000	450	–	–
	E.L Sewer Diversion Centre	Various	*Waste Water*	*Waste Water*	32.92423727.900472 -33.017	–	26 500	26 500	10 000	–	–
	Reeston Phase 3 Bulk Service Sewer	Various	*Waste Water*	*Waste Water*	32.92423727.900472 -33.017	–	26 500	26 500	22 500	–	–
	Waste Water Treatment Capacity Zwelitsha	Various	*Waste Water*	*Waste Water*	32.92423727.900472 -33.017	–	26 500	26 500	11 800	–	–
Vote 9 - Directorate of Community Services											
	Development of Community Parks(Inland, M	Various	*Community and social services*	*Parks*	89759 -33.015127.89762 -33.0	–	2 000	2 000	1 900	–	–
	Development and Upgrading of Cemetries(In	Various	*Environmental Protection*	*Cemetries*	89759 -33.015127.89762 -33.0	–	5 000	5 000	2 500	–	–
	Development and Upgrading of Community	–	*Community and social services*	*Halls*	89759 -33.015127.89762 -33.0	–	4 000	4 000	800	–	–
	Redevelopment of Mdantsane NU 2 Swimm	–	*Community and social services*	*Swimming Pool*	89759 -33.015127.89762 -33.0	–	3 000	3 000	2 998	–	–
	Upgrading of Esplanade	–	*Community and social services*	*Amenities*	89759 -33.015127.89762 -33.0	–	2 000	2 000	1 600	–	–
	Upgrading of Aquarium	–	*Community and social services*	*Amenities*	89759 -33.015127.89762 -33.0	–	750	750	750	–	–

2.14 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

2. **Internship programme**

   The City is participating in the Municipal Financial Management Internship programme and has trained ten (10) interns. Of the ten (10) interns, two (2) have been appointed permanently employed since 2013.

3. **Budget and Treasury Office**

   The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Audit Committee**

   An Audit Committee has been established and is fully functional.

5. **Service Delivery and Implementation Plan**

   The detail SDBIP document is at a draft stage and will be finalised after approval of the draft 2015/16 MTREF in compliance with MFMA, Section 53(1)(c).

6. **Annual Report**

   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. **National Treasury Competency Programme**

BCMM senior management have already undergone training as required in the National Treasury Competency Programme and has now ventured into cascading this programme down to junior managerial levels of staff.

8. **Policies**

Policies are available on the BCMM website at www.buffalocity.gov.za

9. **Councillors Remuneration**

Remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

Table 67: MBRR Table SA1 – Supporting detail to budgeted financial performance

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:										
Property rates										
Total Property Rates	544 666	602 867	699 173	827 431	844 062	844 062	844 062	937 143	1 027 135	1 123 714
less Revenue Foregone	22 152	22 767	26 216	30 764	30 764	30 764	30 764	34 301	38 246	42 644
Net Property Rates	522 514	580 100	672 957	796 668	813 298	813 298	813 298	902 842	988 889	1 081 070
Service charges - electricity revenue										
Total Service charges - electricity revenue	1 137 198	1 266 660	1 383 884	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
less Revenue Foregone	–	–	–	–	–	–	–	–	–	–
Net Service charges - electricity revenue	1 137 198	1 266 660	1 383 884	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
Service charges - water revenue										
Total Service charges - water revenue	239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
less Revenue Foregone	–	–	–	–	–	–	–	–	–	–
Net Service charges - water revenue	239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
less Revenue Foregone	–	–	–	–	–	–	–	–	–	–
Net Service charges - sanitation revenue	197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
Service charges - refuse revenue										
Total refuse removal revenue	175 341	198 898	228 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Total landfill revenue	–	–	–	–	–	–	–	–	–	–
less Revenue Foregone	–	–	–	–	–	–	–	–	–	–
Net Service charges - refuse revenue	175 341	198 898	228 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Other Revenue by source										
Fuel Levy	170 477	317 781	343 412	361 639	361 639	361 639	361 639	370 461	384 466	397 824
Electricity vending station commission	14 174	15 572	17 176	19 731	19 731	19 731	19 731	21 605	23 658	25 858
Fire levy charges	40 781	46 278	52 465	56 669	58 068	58 068	58 068	63 817	69 943	76 516
Plan approval fees	4 459	5 185	7 247	8 984	8 984	8 984	8 984	9 837	10 772	11 774
Reconnection fees	247	3 446	14 261	12 606	12 606	12 606	12 606	13 804	15 115	16 521
Electricity service connection fees	8 930	8 553	14 607	10 000	10 000	10 000	10 000	10 000	10 000	10 000
Vehicle registration	28 802	30 696	32 939	38 678	38 678	38 678	38 678	42 352	46 376	50 689
Other revenue	43 603	92 324	104 860	53 425	53 425	53 425	53 425	131 054	139 032	146 300
Internal transfers - Recoveries	–	–	–	–	–	–	–	–	–	–
Total 'Other' Revenue	309 474	519 815	586 988	581 732	583 131	583 131	583 131	662 931	699 364	735 483
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	602 172	610 444	657 585	784 174	787 502	787 502	787 502	849 245	896 803	947 024
Pension and UIF Contributions	110 356	112 547	120 364	139 337	140 380	140 380	140 380	155 412	164 115	173 305
Medical Aid Contributions	40 410	42 218	46 872	57 820	58 347	58 347	58 347	96 231	101 620	107 311
Overtime	50 916	62 099	80 707	57 128	57 148	57 148	57 148	60 348	63 728	67 297
Performance Bonus	50 148	49 567	53 860	63 498	63 723	63 723	63 723	71 335	75 645	79 881
Motor Vehicle Allowance	18 718	17 417	18 631	27 605	27 069	27 069	27 069	29 885	31 558	33 325
Cellphone Allowance	–	–	–	–	–	–	–	–	–	–
Housing Allowances	3 770	3 509	3 219	7 380	7 377	7 377	7 377	10 145	10 145	10 145
Other benefits and allowances	42 362	50 666	111 073	70 502	69 966	69 966	69 966	90 647	95 536	100 686
Payments in lieu of leave	25 320	20 868	22 094	13 000	13 000	13 000	13 000	7 307	7 819	8 366
Long service awards	12 194	13 226	14 840	16 780	16 613	16 613	16 613	17 064	18 020	19 029
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–	–
sub-total	958 366	982 560	1 129 248	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Less: Employees costs capitalised to PPE										
Total Employee related costs	958 366	982 560	1 129 248	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368

MBRR Table SA1 – Supporting detail to budgeted financial performance (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Contributions recognised - capital										
Ladam	730	–	–		459	459	459	–		–
Total Contributions recognised - capital	730	–	–	–	459	459	459	–	–	–
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	676 702	701 504	844 183	710 000	710 000	710 000	710 000	712 213	738 316	770 090
Lease amortisation	–	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	676 702	701 504	844 183	710 000	710 000	710 000	710 000	712 213	738 316	770 090
Bulk purchases										
Electricity Bulk Purchases	787 947	900 089	952 004	1 029 452	1 042 381	1 042 381	1 042 381	1 190 815	1 380 386	1 564 107
Water Bulk Purchases	127 440	140 025	158 380	172 404	172 404	172 404	172 404	186 198	201 092	217 179
Total bulk purchases	915 387	1 040 113	1 110 404	1 201 856	1 214 784	1 214 784	1 214 784	1 377 012	1 581 480	1 771 286
Transfers and grants										
Cash transfers and grants	588	2 474	13 032	23 051	25 576	25 576	25 576	25 493	26 196	26 941
Non-cash transfers and grants	98 647	96 557	131 926	180 962	170 062	170 062	170 062	233 076	255 187	278 014
Total transfers and grants	99 236	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 383	304 955
Contracted services										
List services provided by contract	1 910	2 002	3 003	3 274	4	4	4	3 568	3 882	4 160
Contractor Payments	–	–	–	–	–	–	–	–	–	–
Co-Operatives Contracts	3 336	2 616	2 767	3 006	3 006	3 006	3 006	3 285	3 540	3 643
Grass mowing	–	–	–	–	–	–	–	–	–	–
Landfill Contractor	1 592	2 557	3 084	13 430	11 744	11 744	11 744	14 505	15 850	17 181
One-man contracts	–	–	–	–	–	–	–	–	–	–
Refuse Removal Contracts	–	–	–	190	190	190	190	208	224	243
Transfer Contract	–	–	–	–	–	–	–	–	–	–
sub-total	6 840	7 765	9 745	19 900	14 944	14 944	14 944	21 822	23 481	25 463
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	6 840	7 765	9 745	19 900	14 944	14 944	14 944	21 822	23 481	25 463
Other Expenditure By Type										
Collection costs	18 746	21 440	24 492	27 620	20 724	20 724	20 724	29 887	32 467	35 184
Contributions to 'other' provisions	–	–	–	–	–	–	–	–	–	–
Consultant fees	20 088	21 705	26 207	18 080	23 053	23 053	23 053	18 080	18 080	18 080
Audit fees	7 329	9 219	11 892	9 814	9 814	9 814	9 814	10 058	11 575	12 547
General expenses	250 076	248 145	278 236	229 016	237 842	237 842	237 842	256 031	258 081	261 302
List Other Expenditure by Type	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 005	450 612
Chemicals and disinfectants	12 003	11 573	10 988	12 002	12 002	12 002	12 002	13 784	14 909	16 227
Departmental electricity costs	42 240	44 878	50 608	47 020	47 022	47 022	47 022	50 782	54 845	59 232
Essential user costs	11 863	13 029	14 396	13 466	13 466	13 466	13 466	14 024	15 881	17 210
Diesel fuel oil and petrol	30 790	40 327	39 866	49 763	49 204	49 204	49 204	56 499	59 070	62 924
Hired plant	25 217	21 320	31 848	28 543	28 543	28 543	28 543	18 243	18 243	18 243
Insurance	15 621	16 850	18 112	27 010	27 010	27 010	27 010	27 010	30 371	33 408
Levies - SALGA	9 000	9 800	10 400	10 300	11 096	11 096	11 096	11 956	12 613	13 281
Levies - Skills development	7 599	9 183	10 451	12 242	12 242	12 242	12 242	13 803	14 572	15 380
Poor relief	0	0	7	–	–	–	–	–	–	–
Departmental refuse removal costs	1 505	1 504	1 043	1 035	1 035	1 035	1 035	1 840	2 070	2 324
Rental - Offices (Trust Bank)	5 661	6 894	8 128	9 200	9 200	9 200	9 200	9 991	10 850	11 782
Departmental sanitary costs	3 844	3 059	5 002	5 991	5 916	5 916	5 916	6 609	7 303	8 055
Telephone	20 486	20 498	21 957	14 368	14 668	14 668	14 668	14 368	14 368	14 368
Travel and subsistance allowances	9 197	9 840	11 035	4 972	5 037	5 037	5 037	4 972	4 972	4 972
Departmental water costs	3 806	5 102	7 550	6 388	6 388	6 388	6 388	7 345	8 443	9 688
Housing Projects	31 056	48 765	110 475	103 488	202 333	202 333	202 333	523 850	535 500	529 300
Operating Projects	61 460	74 810	110 983	107 484	130 588	130 588	130 588	147 465	158 351	200 249
ADP housing	10 700	29 535	–	–	–	–	–	–	–	–
Landfill rehab	–	–	–	–	–	–	–	–	–	–
Internal charges	–	–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	819 885	928 261	1 088 188	1 082 150	1 216 382	1 216 382	1 216 382	1 609 419	1 680 222	1 800 381

Repairs and Maintenance										
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure	219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 005	450 612
Total Repairs and Maintenance Expenditure	219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 005	450 612

Table 68: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	Vote 1 - Directorate - Executive Support	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Chief Operations	Vote 4 - Directorate - Chief Financial	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Engineering Services	Vote 7 - Directorate - Development Planning	Vote 8 - Directorate - Health & Public Safety	Vote 9 - Directorate - Community Services	Vote 10 - Directorate - Miscellaneous	Total
Revenue By Source											
Property rates	–	–	–	901 493	–	–	–	–	–	–	901 493
Property rates - penalties & collection charges	–	–	–	1 921	–	–	–	–	–	–	1 921
Service charges - electricity revenue	–	–	–	–	–	1 658 671	–	–	–	–	1 658 671
Service charges - water revenue	–	–	–	–	–	411 381	–	–	–	–	411 381
Service charges - sanitation revenue	–	–	–	–	–	296 205	–	–	–	–	296 205
Service charges - refuse revenue	–	–	–	–	–	–	–	–	286 063	–	286 063
Service charges - other	–	–	–	818	–	33 009	–	–	3 987	–	37 814
Rental of facilities and equipment	–	–	97	–	–	–	12 038	–	6 494	–	18 629
Interest earned - external investments	–	–	–	133 620	–	–	–	–	–	–	133 620
Interest earned - outstanding debtors	–	–	–	32 175	–	–	–	–	–	–	32 175
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	10 114	179	–	10 293
Licences and permits	–	–	–	–	–	–	–	22 329	144	–	22 472
Agency services	–	–	–	–	–	–	–	–	–	–	–
Other revenue	–	–	–	467 918	1	24 878	43 477	108 675	14 590	–	659 539
Transfers recognised - operational	–	37 902	535 109	384 874	11 851	189 989	–	16 310	73 299	–	1 249 333
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and	–	37 902	535 206	1 922 818	11 851	2 614 132	55 515	157 427	384 756	–	5 719 607
Expenditure By Type											
Employee related costs	49 744	21 747	22 899	189 508	121 189	347 671	95 953	222 155	316 753	–	1 387 619
Remuneration of councillors	52 910	–	–	–	–	–	–	–	–	–	52 910
Debt impairment	–	–	–	58 623	–	162 376	–	4 211	19 799	–	245 009
Depreciation & asset impairment	2 069	1 576	8 349	2 061	18 284	567 383	91 874	6 371	14 247	–	712 213
Finance charges	–	–	–	–	–	47 657	2 297	2 260	2 099	–	54 313
Bulk purchases	–	–	–	–	–	1 377 012	–	–	–	–	1 377 012
Other materials	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	5 397	–	–	16 225	–	21 622
Transfers and grants	17 327	–	–	61 519	–	83 362	6 000	13 963	83 502	–	265 673
Other expenditure	42 363	78 801	550 957	155 247	75 060	455 496	78 383	34 827	129 614	1 565	1 602 314
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	164 414	102 124	582 205	466 958	214 533	3 046 354	274 508	283 787	582 239	1 565	5 718 685
Surplus/(Deficit)	(164 414)	(64 222)	(46 999)	1 455 861	(202 682)	(432 222)	(218 993)	(126 360)	(197 483)	(1 565)	922
Transfers recognised - capital	–	21 500	211 274	–	100	494 500	40 000	6 000	76 979	–	850 353
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(164 414)	(42 722)	164 275	1 455 861	(202 582)	62 278	(178 993)	(120 360)	(120 504)	(1 565)	851 275

Table 69: MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Call investment deposits										
Call deposits < 90 days	1 404 211	1 698 468	1 986 360	1 233 269	979 567	979 567	979 567	2 303 434	2 341 401	2 453 883
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	1 404 211	1 698 468	1 986 360	1 233 269	979 567	979 567	979 567	2 303 434	2 341 401	2 453 883
Consumer debtors										
Consumer debtors	987 684	1 161 336	1 250 330	1 629 586	1 629 586	1 629 586	1 512 900	1 512 900	1 684 189	1 830 808
Less: Provision for debt impairment	(528 896)	(565 116)	(686 126)	(469 135)	(469 135)	(469 135)	(741 174)	(840 954)	(954 387)	(1 084 827)
Total Consumer debtors	458 788	596 220	564 204	1 160 451	1 160 451	1 160 451	771 726	671 946	729 802	745 981
Debt impairment provision										
Balance at the beginning of the year	531 929	528 896	565 116	530 241	530 241	530 241	688 120	741 174	840 954	954 387
Contributions to the provision	58 231	106 794	241 034	203 074	203 074	203 074	187 074	245 009	273 185	305 908
Bad debts written off	(61 264)	(70 574)	(120 024)	(264 180)	(264 180)	(264 180)	(132 027)	(145 229)	(159 752)	(175 727)
Balance at end of year	528 896	565 116	686 126	469 135	469 135	469 135	741 174	840 954	954 387	1 084 827
Property, plant and equipment (PPE)										
PPE at cost/valuation (ex cl. finance leases)	21 053 722	21 702 322	22 507 772	21 949 738	21 949 738	21 949 738	23 584 257	24 839 611	26 189 151	27 710 220
Leases recognised as PPE	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	10 824 180	11 593 838	12 220 106	9 983 481	9 983 481	9 983 481	12 930 108	13 642 319	14 380 634	15 150 725
Total Property, plant and equipment (PPE)	10 229 582	10 108 484	10 287 666	11 966 257	11 966 257	11 966 257	10 654 150	11 197 291	11 808 516	12 559 496
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	41 997	51 857	57 416	54 633	54 633	54 633	54 633	46 097	50 709	47 842
Total Current liabilities - Borrowing	41 997	51 857	57 416	54 633	54 633	54 633	54 633	46 097	50 709	47 842
Trade and other payables										
Trade and other creditors	452 302	572 695	628 880	630 000	630 000	630 000	630 000	661 500	695 000	730 000
Unspent conditional transfers	739 538	460 598	210 655	107 100	107 100	107 100	107 100	112 800	78 300	83 000
VAT	–	20	138	–	–	–	–	–	–	–
Total Trade and other payables	1 191 840	1 033 311	845 363	737 100	737 100	737 100	737 100	774 300	773 300	813 000
Non current liabilities - Borrowing										
Borrowing	804 258	597 207	542 574	542 574	542 574	542 574	542 574	498 477	445 788	398 126
Finance leases (including PPP asset element)	990	3 623	3 426	3 941	3 941	3 941	3 941	3 941	3 841	3 425
Total Non current liabilities - Borrowing	805 248	600 830	546 000	546 515	546 515	546 515	546 515	500 418	449 700	401 551
Provisions - non-current										
Retirement benefits	341 426	327 634	384 269	453 870	453 870	453 870	453 870	499 260	549 000	603 900
List other major provision items										
Refuse landfill site rehabilitation	64 922	49 969	57 756	90 750	90 750	90 750	90 750	99 830	109 800	120 780
Other	102	100	100	–	–	–	–	–	–	–
Total Provisions - non-current	406 450	377 703	442 125	544 620	544 620	544 620	544 620	599 090	658 800	724 680
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	11 180 335	7 913 290	8 393 972	10 250 382	10 327 810	10 074 108	10 074 108	8 238 798	9 158 402	10 407 481
GRAP adjustments	(3 205 897)	7 308	–	–	–	–	–	–	–	–
Restated balance	7 974 438	7 920 598	8 393 972	10 250 382	10 327 810	10 074 108	10 074 108	8 238 798	9 158 402	10 407 481
Surplus/(Deficit)	(30 320)	450 427	678 572	712 422	702 187	702 187	702 187	851 275	920 800	977 780
Appropriations to Reserves	–	–	–	–	–	–	–	–	–	–
Transfers from Reserves	–	–	–	–	–	–	–	–	–	–
Depreciation offsets	573	573	–	473 299	473 299	473 299	473 299	–	–	–
Other adjustments	(13 311)	11 047	12 114	(1 108 293)	(1 429 188)	(1 175 486)	(2 899 318)	930 602	520 632	(28 420)
Accumulated Surplus/(Deficit)	7 925 380	8 382 645	9 084 658	10 327 810	10 074 108	10 074 108	8 353 276	10 020 674	10 603 734	11 356 841
Reserves										
Housing Development Fund	–	–	–	–	–	–		–	–	–
Capital replacement	–	–	–	–	–	–		–	–	–
Self-insurance	–	–	–	–	–	–		–	–	–
Other reserves	–		–	–	–	–	–	–	–	–
Revaluation	2 446 636	2 416 540	2 406 503	2 676 936	2 676 936	2 676 936	2 676 936	2 810 783	2 951 322	3 098 900
Total Reserves	2 446 636	2 416 540	2 406 503	2 676 936	2 676 936	2 676 936	2 676 936	2 810 783	2 951 322	3 098 900
TOTAL COMMUNITY WEALTH/EQUITY	10 372 016	10 804 186	11 491 161	13 004 746	12 751 044	12 751 044	11 030 212	12 831 457	13 555 056	14 455 741
Total capital expenditure includes expenditure on nationally significant priorities:										
Provision of basic services										

Table 70: MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	0	660	702	724	-	755	-	755	-	-	-
Females aged 5 - 14	Statistic SA 2011 Census	69	80	85	-	60	-	60	-	-	-
Males aged 5 - 14	(Figures to be mantained til there is another official	68	69	88	-	62	-	62	-	-	-
Females aged 15 - 34	count in the form of Community Survey or another	117	141	136	-	140	-	140	-	-	-
Males aged 15 - 34	Census)	130	128	146	-	134	-	134	-	-	-
Unemployment	0	98	158	112	-	188	-	188	-	-	-
Monthly household income (no. of households)											
No income	0	-	-	-	-	38 023	38 023	38 023	-	-	-
R1 - R1 600	0	-	-	-	-	11 650	11 650	11 650	-	-	-
R1 601 - R3 200	0	-	-	-	-	15 660	15 660	15 660	-	-	-
R3 201 - R6 400	Statistic SA 2011 Census	-	-	-	-	41 421	41 421	41 421	-	-	-
R6 401 - R12 800	0	-	-	-	-	38 047	38 047	38 047	-	-	-
R12 801 - R25 600	(Figures to be mantained til there is another official	-	-	-	-	24 916	24 916	24 916	-	-	-
R25 601 - R51 200	count in the form of Community Survey or another	-	-	-	-	19 986	19 986	19 986	-	-	-
R52 201 - R102 400	Census)	-	-	-	-	17 765	17 765	17 765	-	-	-
R102 401 - R204 800	0	-	-	-	-	11 058	11 058	11 058	-	-	-
R204 801 - R409 600	0	-	-	-	-	3 448	3 448	3 448	-	-	-
R409 601 - R819 200	0	-	-	-	-	918	918	918	-	-	-
> R819 200	0	-	-	-	-	668	668	668	-	-	-
Poverty profiles (no. of households)											
< R2 060 per household per month	0	-	-	-	0.00	0.00	54240.00	54240.00	0.00	0.00	0.00
Insert description	0	-	-	-	0.00	0.00	<R2 400	<R2 400	0.00	0.00	0.00
Household/demographics (000)											
Number of people in municipal area	0	659 531	701 889	724 309	-	755	755	755	-	-	-
Number of poor people in municipal area	Statistic SA 2011 Census	174 611	166 874	136 833	-	189	189	189	-	-	-
Number of households in municipal area	0	155 726	194 065	208 389	-	224	224	224	-	-	-
Number of poor households in municipal area	0	N/A	N/A	N/A	62	54	54	54	-	-	-
Definition of poor household (R per month)	0	N/A	N/A	N/A	<R2 020	<R2 400	<R2 400	<R2 400	-	-	-
Housing statistics											
Formal	Statistic SA 2011 Census	112 294	120 568	156 679	-	162 310	162 310	162 310	-	-	-
Informal	0	43 022	58 090	45 601	-	49 856	49 856	49 856	-	-	-
Total number of households		155 316	178 656	202 280	-	212 166	212 166	212 166	-	-	-
Dwellings provided by municipality	0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	0	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)					-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing					11.7%	11.5%	10.5%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases					6.4%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates											
Property tax/service charges					0.0%	93.0%	93.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment					0.0%	101.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments					0.0%	134.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors					0.0%	99.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 71: MBRR Table SA32 – List of External Mechanism

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1 Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Biovest / Lithotech	Yrs	3	Printing of Statements	01/10/2014 (extended to 1 March 2015	5 252
Mailtronic Media Management	Yrs	3	Printing of Statements	31 March 2018	3 807
BERCO INDOOR GARDENS	Yrs	1 11 months	OFFICE PLANTS	30 June 2015	18,117
Amatola Water	Yrs	30	Bulk Water Supply	04 December 2030	6 321 843
De Huys Launderette	1 yesr 5 months	3	Service to laundry of towels pillows sheets bathmats, duvet covers at the Gonubie Resorts	21 September 2015	92 625. 60
Otis	Yrs	20	Maintenance of lift - Central Library	01 March 2021	-
Itec	Yrs	3	Leasing of Photocopier Machine	2016	2 082
Truegroup	Yrs	3	Rental of Office Space for EPMO	01 October 2016	183 142
Nashua (Fire Dept)	Mths	60	Lease of photocopier MP2352SP W411KB00868	01 May 2017	109
Xerox Va Aloe Business solutions	Yrs	3	Leasing of Photocopier Machine	2016	3 181
Nashua	Yrs	5	Leasing of Photocopier Machine	2016	1 598
ECDC	Yrs	5	Leasing of operating building	31 August 2015	923
Slip knot investments Trust Centre Building	Yrs	5	Leasing of operating building	31 August 2016	34 469
EC Services	Yrs	3	Disconnection and reconnection of electrical supply	31 January 2016	25 852
Morgan Creek Properties 158 Pty Ltd	Yrs	3	Rental - office accommodation	31 July 2015	7 672
Burmeister and Company	Yrs	50	Lease of Land and building	30 June 2041	25 927
Shell S.A. (pty LTD	Yrs	20	Lease of Land and building	31 August 2014	822
MTN BEACON BAY WATER RESERVOIR 182	Yrs	5	Lease of Land and building	30 June 2014	51
PF Properties(adjacent to acquarium	Yrs	50	Lease of Land and building	30 November 2043	2 101
FERRUCCI BROTHERS CC	Yrs	50	Lease of Land and building	30 November 2043	33 118
OAKS INTERNATIONAL	Yrs	5	Lease of Land and building	31 December 2016	1 600
Denrays Kwikspar	Yrs	10	Lease of Land and building	31 January 2016	23
FNB East london	Yrs	10	Lease of Land and building	28 February 2016	19
Major Square	Yrs	10	Lease of Land and building	30 September 2016	21
Jesus Christ Ministry Movement	Yrs	5	Lease of Land and building	31 January 2016	14
ITHEMBALETHU DAY CARE CENTRE	Yrs	5	Lease of Land and building	31 October 2015	14
Winter Rose Rugby F.C.	Yrs	25	Lease of Land and building	31 October 2022	58
Gonubie Sports Club	Yrs	25	Lease of Land and building	30 September 2024	105
Hamilton Club	Yrs	24	Lease of Land and building	31 December 2020	1
ABBOTSFORD SPORTS CLUB	Yrs	5	Lease of Land and building	30 March 2016	14
cambridge Junior School	Yrs	9	Lease of Land and building	31 December 2020	14
Typos Bowling Club	Yrs	25	Lease of Land and building	31 March 2022	51
E.L Surf Life saving Club	Yrs	5	Lease of Land and building	01 March 2016	14
Border Cricket Board	Yrs	21	Lease of Land and building	31 December 2020	52
Border Badminton	Yrs	20	Lease of Land and building	31 July 2015	27
Buffalo Club	Yrs	24	Lease of Land and building	31 December 2020	1
Stirling High School	Yrs	30	Lease of Land and building	31 January 2025	53
Noom da Ploom Trading	Yrs	5	Lease of Land and building	31 October 2015	11
Masibambane Home Based Care	Yrs	10	Lease of Land and building	30 September 2022	49
Parkside Day Care and Pre Primary	Yrs	5	Lease of Land and building	30 June 2017	15
Paynigh Property Investment	Yrs	10	Lease of Land and building	28 February 2017	28
Nolukhanyo Daycare Centre	Yrs	5	Lease of Land and building	31 May 2017	15
MTN	Yrs	10	Lease of Land and building	30 October 2017	24
Cambridge Sports Club	Yrs	24	Lease of Land and building	31 December 2020	169
KINVEST (Pty Ltd	Yrs	10	Lease of Land and building	31 October 2020	38
KAYSER BEACH COMMUNITY	Yrs	4	Lease of Land and building	31 December 2015	14
EASTERN CAPE SOFTBALL FEDERATION	rrs	5	Lease of Land and building	31 August 2018	22

2.15 CITY MANAGER'S QUALITY CERTIFICATE

I **ANDILE FANI**, City Manager of Buffalo City Metropolitan Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name **ANDILE FANI**

City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature

Date 19/05/2015

ANNEXURES:

C: 2015/16 MTREF Capital Projects

D: 2015/16 MTREF Operating Projects

E: 2015/16 Tariffs

F: Finance Policies

G: MFMA Circular 74 and 75

H: 2015/2016 Built Environment Performance Plan (BEPP)

11

BUFFALO CITY
METROPOLITAN MUNICIPALITY

AGENDA

BUFFALO CITY METROPOLITAN COUNCIL

29 MAY 2015

11.00 A.M.

BUFFALO CITY
METROPOLITAN MUNICIPALITY

BUFFALO CITY METROPOLITAN COUNCIL

The following supplementary report is circulated for consideration by the Buffalo City Metropolitan Council at its meeting to be held on

FRIDAY, 29 MAY 2015

at

11.00 A.M.

in the

MAIN AUDITORIUM, BORDER CONFERENCE CENTRE
(Abbotsford Christian Centre)

COUNCILLOR L.E. SIMON-NDZELE
SPEAKER
JFA/pvz
(AGENDAS/2015/F-PAGE/Bcmc-Supp (METRO)/11BCMC29-5)

Elco Building, Fleet Street
EAST LONDON

22 MAY 2015

REPORT

17. Report of the Executive Mayor
(Continues on Supplementary Agenda No. 12)

Item No.	Subject	Page No.
11	Buffalo City Metropolitan Municipality's Final 2015/16 Integrated Development Plan and Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP)	2177

[NOTE : ANNEXURE OF REPORT NO. 11 CONTINUED FROM SUPPLEMENTARY AGENDA NO. 10 DUE TO THE VOLUME THEREOF.]

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 CAPITAL BUDGET

ANNEXURE "C"

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
EXECUTIVE SUPPORT SERVICES						
Executive Support Services	105005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Executive Support Services	105035	Office Furniture and Equipment (City Hall)	Own Funds	2 000 000	0	0
Executive Support Services	105005	Councillor's Office Accomodation	Own Funds	3 000 000	0	0
Executive Support Services	105020	Service Delivery Public Participartion Truck with full Sound System	Own Funds	1 200 000	0	0
		TOTAL: EXECUTIVE SUPPORT SERVICES		**6 200 000**	**500 000**	**500 000**
MUNICIPAL MANAGER'S OFFICE						
Municipal Manager's Office	205005	Neighbourhood Development Partnership	NDPG	20 000 000	20 000 000	25 000 000
Municipal Manager's Office	205005	Integrated City Development Grant	ICDG	0	9 891 000	10 829 000
Municipal Manager's Office	205005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Municipal Manager's Office	205005	Furniture and Equipment - Project Management Office	USDG	1 500 000	1 500 000	1 500 000
		TOTAL: MUNICIPAL MANAGERS 'OFFICE		**21 500 000**	**31 891 000**	**37 829 000**
HUMAN SETTLEMENTS						
Human Settlements	250005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Human Settlements	255005	Beneficiary Administration (Procure GPS Devices)	Own Funds	150 000	0	0
Human Settlements	255005	Reeston Phase 3: Stage 2	HSDG	15 000 000	20 000 000	10 000 000
Human Settlements	255005	Reeston Phase 3 Stage 3	HSDG	30 000 000	20 000 000	0
Human Settlements	255005	Reeston Phase 3 Stage 2	USDG	5 000 000	10 000 000	200 000
Human Settlements	255005	Reeston Phase 3 Stage 3	USDG	5 000 000	10 000 000	100 000
Human Settlements	255005	Potsdam Ikhwezi Block 1	USDG	8 900 000	13 000 000	26 000 000
Human Settlements	255005	Potsdam Ikhwezi Block 2	USDG	200 000	200 000	48 000 000
Human Settlements	255005	Potsdam North Kanana	USDG	200 000	200 000	30 000 000
Human Settlements	255005	Ilitha North 177 Units	USDG	4 000 000	6 800 000	2 000 000
Human Settlements	255005	Duncan Village Proper	HSDG	20 000 000	18 300 000	10 000 000
Human Settlements	255005	C Section and Triangular Site	HSDG	11 300 000	17 000 000	20 000 000
Human Settlements	255005	D Hostel	HSDG	9 300 000	11 000 000	10 000 000
Human Settlements	255005	Mdantsane Zone 18 CC Phase 2	USDG	8 500 000	18 500 000	50 000 000
Human Settlements	255005	Amalinda Co- Op	USDG	4 800 000	100 000	2 000 000
Human Settlements	255005	Amalinda Fairlands	USDG	300 000	500 000	20 000 000

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
Human Settlements	255005	Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa)	USDG	25 000 000	85 595 000	23 000 000
Human Settlements	255005	Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe)	USDG	13 024 000	36 464 685	10 000 000
Human Settlements	255005	Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	USDG	25 350 000	20 100 000	35 000 000
Human Settlements	255005	Braelyn ext 10	HSDG	6 300 000	20 000 000	15 000 000
Human Settlements	255005	Sunny South	USDG	100 000	0	0
Human Settlements	255005	Tyutyu Phase 3	USDG	500 000	100 000	10 000 000
Human Settlements	255005	Westbank Restitution	USDG	16 000 000	15 000 000	64 779 685
Human Settlements	250005	DVRI Infrastructure Programmes	HSDG	2 500 000	0	0
		TOTAL : HUMAN SETTLEMENTS		**211 424 000**	**323 359 685**	**386 579 685**
DIRECTORATE OF FINANCIAL SERVICES						
Financial Services	305005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Financial Services	320005	Asset Replacements - Insurance	Own Funds	10 000 000	10 000 000	10 000 000
		TOTAL : FINANCIAL SERVICES		**10 000 000**	**10 500 000**	**10 500 000**
DIRECTORATE OF CORPORATE SERVICES						
Corporate services	405005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Corporate services	415025	IT Systems Intergration - (Process Implementation)	Own Funds	12 000 000	12 000 000	0
Corporate services	415025	IT Infrastructure Network Upgrade	Own Funds	4 000 000	4 000 000	0
Corporate services	415025	IT Infrastructure Servers	Own Funds	2 000 000	2 000 000	0
Corporate services	420005	Office Furniture and Equipment and Computers	ISDG	100 000	0	0
Corporate services	420005	Electronic Attandance Control System	Own Funds	1 500 000	1 000 000	0
Corporate services	415025	ICT Networks and Communications for Call Centre	Own Funds	500 000	200 000	0
Corporate services	415025	IT Hardware for Call Centre	Own Funds	1 500 000	500 000	0
		TOTAL : CORPORATE SERVICES		**21 600 000**	**20 200 000**	**500 000**
DIRECTORATE OF ENGINEERING SERVICES						
Engineering Services	505005	Office Furniture and Equipment (Directorate)	Own Funds	550 000	500 000	500 000
Engineering Services	515010	Bulk Sanitation Provision - Programme	USDG	190 000 000	97 000 000	58 712 415
Engineering Services	515010	Bulk Sanitation Provision - Replacing Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
Engineering Services	515010	Mdantsane Waste Water Treatment Works - Renewal of Existing Assets	Own Funds	24 505 969	35 276 007	36 763 015
Engineering Services	515010	EL Hood Point Pre-treatment Facility Recapitalisation	Own Funds	3 000 000	0	0
Engineering Services	515010	Central to Reeston Waste Water Tunnel	Financing Methodology	0	0	157 823 000
		Sewerage		**258 055 969**	**172 776 007**	**293 798 430**

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
Engineering Services	520005	Bulk Water Provision - Programme	USDG	51 000 000	51 000 000	51 000 000
Engineering Services	520005	Bulk Water Provision Replacing of Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
		Water		**91 000 000**	**91 000 000**	**91 000 000**
Engineering Services	525025	Quenera Beacon Bay Link Road	USDG	20 000 000	20 000 000	20 000 000
Engineering Services	525025	Upgrading of Mdantsane Roads	USDG	60 000 000	60 000 000	34 900 000
Engineering Services	525025	KWT Roads	USDG	10 000 000	10 000 000	10 000 000
Engineering Services	525025	Gonubie Main Road	USDG	10 000 000	0	0
Engineering Services	525025	Rural Roads	USDG	30 000 000	30 000 000	20 000 000
Engineering Services	525025	Fleet Street	USDG	20 000 000	20 000 000	10 000 000
Engineering Services	525025	RDP Roads - Inland, Midlands and Coastal	USDG	15 000 000	15 000 000	20 000 000
Engineering Services	525025	Rehabilitation of BCMM Bridges and Storwater	USDG	5 000 000	5 000 000	10 000 000
Engineering Services	525025	Roads Provision - Replacing Existing Infrastructure	Own Funds	80 000 000	80 000 000	80 000 000
Engineering Services	525025	Procurement of Graders for Rural Roads - Yellow Fleet	USDG	15 000 000	20 000 000	20 000 000
		Roads		**265 000 000**	**260 000 000**	**224 900 000**
Engineering Services	530020	BCMM Fleet, Plant and Specialised Equipment and Specialised Solid Waste Vehicles	Own Funds	48 000 000	18 000 000	30 000 000
Engineering Services	535025	Bulk Electricity Infrastructure Upgrade(Ring-Fenced 4% of the Total Electricity Revenue)	Own Funds	50 000 000	60 000 000	0
Engineering Services	535025	Bulk Electricity Infrastructure Upgrade - Replacing Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
Engineering Services	535025	INEP Electrification Programme	DoE(Intergrated National Electrification Programme)	30 000 000	30 000 000	30 000 000
Engineering Services	535025	Electricity Demand Side Management Programme	Electricity Demand Side Management Grant	13 000 000	5 000 000	5 000 000
Engineering Services	535025	INEP Electrification Programme - Counterfunding	USDG	5 000 000	5 000 000	5 000 000
Engineering Services	535025	Electrification of Informal Dwelling Areas within BCMM	USDG	15 000 000	20 000 000	20 000 000
Engineering Services	535025	Street Lighting and Highmasts within BCMM Areas of Supply - Informal Settlements	USDG	3 500 000	3 500 000	3 500 000
Engineering Services	535025	Replacement and Refurbishment of Bulk ELECT Infrastructure	USDG	2 000 000	8 000 000	8 000 000
				206 500 000	**189 500 000**	**141 500 000**
		TOTAL : ENGINEERING SERVICES		**820 555 969**	**713 276 007**	**751 198 430**

2180

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
DIRECTORATE OF DEVELOPMENT PLANNING						
Directorate of Development Planning	605005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Directorate of Development Planning	620005	Integrated Transport Plan Implementation Programme	USDG	30 000 000	59 500 000	39 500 000
Directorate of Development Planning	620005	Integrated Transport Plan Implementation Programme	PTISG	0	38 306 000	82 172 000
Directorate of Development Planning	605005	Rehabilitation of Midland Existing Municipal Buildings and Old Mutual Building (Finance)	Own Funds	10 000 000	5 000 000	0
Directorate of Development Planning	605005	Building Refurbishments and Upgrading of Lifts for BCMM Buildings	Own Funds	820 661	7 755 051	0
Directorate of Development Planning	615075	SCM Inventory Warehousing and Fencing	Own Funds	900 000	3 000 000	0
Directorate of Development Planning	615075	Kind Williams Town Payments Hall	Own Funds	3 500 000	0	0
Directorate of Development Planning	615075	Vehicle Fleet Replacement - Building Control	Own Funds	0	0	1 000 000
Directorate of Development Planning	615075	Computers - Building Control and Architecture	Own Funds	0	0	200 000
Directorate of Development Planning	615075	Office Furniture - Building Control and Architecture	Own Funds	0	0	200 000
Directorate of Development Planning	615095	Office Furniture - Building Maintenance	Own Funds	0	200 000	200 000
Directorate of Development Planning	615095	Computers - Building Maintenance	Own Funds	0	150 000	150 000
Directorate of Development Planning	615095	New and Replacement of Vehicle Fleet - Building Maintenance	Own Funds	0	1 000 000	1 000 000
Directorate of Development Planning	615095	New Parking Areas (pathways, parking and fencing)	Own Funds	0	10 000 000	10 000 000
Directorate of Development Planning	615095	New Disabled facilities	Own Funds	0	1 000 000	1 000 000
Directorate of Development Planning	615095	New Fencing and security access for Garcia Flats	Own Funds	0	400 000	400 000
Directorate of Development Planning	615095	New Fencing and security access for Gonubie Municipal Old Age Home, Sunny mead	Own Funds	0	500 000	500 000
Directorate of Development Planning	615095	Re-roofing of Garcia Flats block A and B	Own Funds	3 000 000	4 000 000	0
Directorate of Development Planning	615095	New Offices, Extensions to Ablutions and Workshops at Chislehurst BMS Depot	Own Funds	0	3 000 000	3 000 000
Directorate of Development Planning	615190	Office Furniture - Signage Control	Own Funds	0	200 000	200 000
Directorate of Development Planning	615190	Computers - Signage Control	Own Funds	0	100 000	0
Directorate of Development Planning	605005	Major refurbishment of Municipal Buildings in various areas	Own Funds	0	7 500 000	15 000 000
Directorate of Development Planning	605005	Munifin Refurbishment	Own Funds	0	7 500 000	15 000 000
Directorate of Development Planning	605005	New Air-conditioner (Replacement - Shoprite Caxton Street)	Own Funds	0	4 000 000	0
Directorate of Development Planning	605005	Aquarium	USDG	0	0	10 000 000
Directorate of Development Planning	605005	Orient Theatre refurbishment	USDG	0	0	15 000 000
		TOTAL : DEVELOPMENT PLANNING		**48 220 661**	**153 611 051**	**195 022 000**
DIRECTORATE OF ECONOMIC DEVELOPMENT						
Directorate of Economic Development	635005	Enabling Infrastructure Programme - LED	USDG	10 000 000	10 000 000	30 000 000

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
Directorate of Economic Development	635005	Enabling Infrastructure Programme - LED	Own Funds	10 000 000	0	0
		TOTAL : ECONOMIC DEVELOPMENT		**20 000 000**	**10 000 000**	**30 000 000**
DIRECTORATE OF HEALTH AND PUBLIC SAFETY						
Health and Public Safety	705005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	500 000
Health and Public Safety	725015	Closed Circuit Television Network - CCTV	Own Funds	2 000 000	4 000 000	5 000 000
Health and Public Safety	725015	Fire Arms - Traffic and Law Enforcement	Own Funds	0	200 000	400 000
Health and Public Safety	725025	KWT Traffic Building	USDG	6 000 000	6 000 000	6 000 000
Health and Public Safety	710030	Air Monitoring Staion	Own Funds	500 000	1 800 000	500 000
Health and Public Safety	725055	Tactic Radio Network	Own Funds	0	800 000	0
Health and Public Safety	725055	Early Warning Systems	Own Funds	0	500 000	0
Health and Public Safety	725025	Road Closure and Events Equipment	Own Funds	0	200 000	0
Health and Public Safety	725025	Traffic Enforcement Equipment	Own Funds	500 000	1 000 000	1 000 000
Health and Public Safety	725010	Fire Equipment	Own Funds	1 000 000	2 000 000	0
Health and Public Safety	725025	Vehicle Pound	Own Funds	0	200 000	0
Health and Public Safety	725035	Vehicle Test Station Equipment	Own Funds	1 000 000	2 000 000	1 000 000
Health and Public Safety	725035	Upgrade Vehicle Test Station	Own Funds	0	2 000 000	0
Health and Public Safety	725010	Fire Engine	Own Funds	7 600 000	4 000 000	4 000 000
Health and Public Safety	725015	CCTV Cameras for BCMM Cash Offices	Own Funds	1 500 000	0	0
Health and Public Safety	725010	Upgrade CCTV Control Room at Fire Station	Own Funds	400 000	0	0
Health and Public Safety	710030	Vehicles	Own Funds	450 000	450 000	450 000
Health and Public Safety	725015	Law Enforcement Equipment	Own Funds	200 000	300 000	200 000
Health and Public Safety	725055	Disaster Management Vehicles	Own Funds	0	2 000 000	3 000 000
Health and Public Safety	725055	Disaster Management: Event Safety Equipment	Own Funds	0	90 000	105 000
Health and Public Safety	725025	Traffic Services East London - Generator / Solar System	Own Funds	500 000	0	0
Health and Public Safety	725025	Traffic Services Gonubie - Generator / Solar System	Own Funds	0	500 000	0
Health and Public Safety	725025	Traffic Services Mdantsane - Generator / Solar System	Own Funds	0	0	500 000
		TOTAL : HEALTH AND PUBLIC SAFETY		**21 650 000**	**28 540 000**	**22 655 000**
DIRECTORATE OF COMMUNITY SERVICES						
Community Services	755005	Office Furniture and Equipment (Directorate)	Own Funds	0	500 000	0
Community Services	750010	Office Furniture and Equipment (GM's Office)	Own Funds	0	0	500 000
Community Services	755025	Development and Upgrading of Cemeteries(Inland, Midland and Coastal)	USDG	8 000 000	8 000 000	8 000 000
Community Services	755005	Establishment and Upgrading of Depots (Inland, Midlands and Coastal)	Own Funds	0	0	3 300 000
Community Services	755005	Grass Cutting Equipment	Own Funds	0	0	1 500 000
Community Services	755005	Development and Upgrading of Parks (Inland, Midlands and Coastal)	USDG	0	0	4 000 000

2182

Directorate	Cost Centre	Project Name	Funding Source	2015/2016 Capital Budget	2016/2017 Capital Budget	2017/2018 Capital Budget
Community Services	755005	Vegetation Control Contracts	Own Funds	0	0	6 660 000
Community Services	755005	Vehicles	Own Funds	0	0	3 300 000
Community Services	760025	Development and Upgrading of Community Halls - War Memorial Hall - Upgrade of Parking Area, Egoli Community Hall(New Hall), Continuation of KWT Town Hall, 5 NU Halls Mdantsane and painting of Carnegie Hall.	USDG	9 000 000	9 000 000	9 000 000
Community Services	760025	Reeston MPCC - DVRI	HSDG-(MPCC)	13 068 500	0	0
Community Services	765025	Fencing of Community Parks	Own Funds	0	0	3 000 000
Community Services	760025	Construction of Nompumelelo Hall	USDG	5 000 000	0	0
Community Services	765010	Redevelopment of Mdantsane NU 2 Swimming Pool	USDG	7 500 000	5 000 000	5 000 000
Community Services	765010	Upgrading of Waterworld	USDG	5 000 000	0	0
Community Services	765010	Upgrading of Dimbaza and Zwelitsha Stadium	USDG	2 700 000	4 750 000	4 750 000
Community Services	765010	Upgrading of Floodlights at Victoria Grounds, Bhisho Stadium, Ginsberg stadium, Sisa Dukashe Stadium, Alfred Schoeman Stadium, North End Stadium, Jan Smuts Stadium, Amalinda Stadium, and Gompo Stadium	USDG	3 000 000	10 000 000	3 000 000
Community Services	765010	Fencing of Sports Fileds	USDG	500 000	0	0
Community Services	765010	Sports Equipment and Structures	Own Funds	1 000 000	0	0
Community Services	765020	Upgrading of Coastal Nature Reserves	Own Funds	4 450 000	0	6 750 000
Community Services	765020	Plant and Equipment for Nature Reserves	Own Funds	450 000	0	450 000
Community Services	765030	Upgrading of Beaches Facilities	Own Funds	1 500 000	0	2 000 000
Community Services	765030	Plant and Equipment for the Beaches	Own Funds	500 000	0	500 000
Community Services	765025	Upgrading of Zoo Facilities	Own Funds	1 500 000	0	3 500 000
Community Services	765025	Upgrading of Resorts	Own Funds	5 000 000	0	5 000 000
Community Services	765025	Office Furniture and Equipment (Zoo)	Own Funds	0	0	40 000
Community Services	765025	Tools and Equipment (Zoo)	Own Funds	25 000	0	35 000
Community Services	765010	Upgrading of Phakamisa and Mount Coke Sports Fields	USDG	1 500 000	0	0
Community Services	765020	Relocation of Aquarium	USDG	0	5 000 000	10 000 000
Community Services	765020	Plant and Equipment for the Aquarium	Own Funds	300 000	0	0
Community Services	765015	Refurbishment of Swimming Pools	Own Funds	2 500 000	0	5 000 000
Community Services	770030	Waste Management Facilities Programme	USDG	1 000 000	1 000 000	1 000 000
Community Services	770030	Construction and Rehabilitation of Waste Cells	USDG	20 710 100	14 412 415	0
		TOTAL : COMMUNITY SERVICES		**94 203 600**	**57 662 415**	**86 285 000**
		TOTAL : CAPITAL PROJECTS - ALL DIRECTORATES		**1 275 354 230**	**1 349 540 158**	**1 521 069 115**

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 OPERATING PROJECTS BUDGET

ANNEXURE "D"

Directorate	Cost Centre	Project Name	Funding Source	2015-2016 Opex Budget	2016-2017 Opex Budget	2017-2018 Opex Budget
EXECUTIVE SUPPORT SERVICES						
Executive Support Services	130005	Customer Satisfaction Survey	Own Funds	410 000	1 790 000	0
Executive Support Services	130005	BCMM Research Strategy and Agenda	Own Funds	400 000	400 000	0
		TOTAL : EXECUTIVE SUPPORT SERVICES		**810 000**	**2 190 000**	**0**
MUNICIPAL MANAGER'S OFFICE						
Municipal Manager's Office	205005	Project Management Funding (USDG Projects)	USDG	31 147 900	31 147 900	31 147 900
Municipal Manager's Office	205005	Expanded Public Works Programme	EPWP	1 149 000	0	0
Municipal Manager's Office	205005	Integrated City Development Grant	ICDG	5 605 000	0	0
Municipal Manager's Office	215005	Combined Assurance Model	Own Funds	3 000 000	5 000 000	5 000 000
Municipal Manager's Office	220005	Development and Review of By-Laws	Own Funds	500 000	500 000	0
Municipal Manager's Office	220005	Audit Ad hoc Reviews	Own Funds	5 000 000	5 000 000	5 000 000
		TOTAL : MUNICIPAL MANAGER'S OFFICE		**46 401 900**	**41 647 900**	**41 147 900**
DIRECTORATE OF FINANCIAL SERVICES						
Financial Services	305005	Directorates Financial Management Capacity Project	Own Funds	1 800 000	700 000	0
Financial Services	305005	Audit Improvement Plan	Own Funds	2 200 000	4 250 000	0
Financial Services	320005	Standard Chart Of Accounts(SCOA)	Own Funds	17 750 000	2 750 000	0
Financial Services	320005	Financial Technical Support	Own Funds	1 500 000	1 500 000	0
Financial Services	315005	Budget Reforms	FMG	1 300 000	1 300 000	1 300 000
Financial Services	320005	Immovable Assets Project	Own Funds	15 000 000	15 000 000	0
		TOTAL : FINANCIAL SERVICES		**39 550 000**	**25 500 000**	**1 300 000**
DIRECTORATE OF CORPORATE SERVICES						
Corporate Services	420005	Infrestructure Skills Development	ISDG	8 400 000	9 500 000	11 000 000
Corporate Services	415025	IT Fibre Installations for SCM, IDZ and Community Services in 2014/2015 (KWT and Bhisho in 2015/2016 and Mdantsane, Reeston, East London Traffic and Mechanical Workshop in 2016/2017)	Own Funds	5 800 000	1 200 000	0

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 OPERATING PROJECTS BUDGET

ANNEXURE "D"

Directorate	Cost Centre	Project Name	Funding Source	2015-2016 Opex Budget	2016-2017 Opex Budget	2017-2018 Opex Budget
Corporate Services	415025	ICT Policies, Framework, Processes and Procedures - Implementation	Own Funds	1 500 000	1 000 000	0
Corporate Services	415025	Share Point (intranet)	Own Funds	1 500 000	1 000 000	0
Corporate Services	415025	Website Phase 2	Own Funds	300 000	200 000	0
Corporate Services	415025	Computer Equipment - BCMM Leases	Own Funds	3 000 000	3 000 000	0
Corporate Services	420005	Job Evaluation	Own Funds	1 400 000	0	0
		TOTAL : CORPORATE SERVICES		**21 900 000**	**15 900 000**	**11 000 000**
DIRECTORATE OF ENGINEERING SERVICES						
Engineering Services	530020	BCMM Fleet Management System - Maintenance	Own Funds	2 000 000	6 000 000	0
Engineering Services	525025	Roads Master Plan	Own Funds	1 500 000	0	
		TOTAL : ENGINEERING SERVICES		**3 500 000**	**6 000 000**	**0**
DIRECTORATE OF DEVELOPMENT PLANNING						
Development Planning	615190	Signage Removal	Own Funds	0	0	400 000
		TOTAL : DEVELOPMENT PLANNING		**0**	**0**	**400 000**
DIRECTORATE OF ECONOMIC DEVELOPMENT						
Economic Development	635005	Local Economic Development Programme - LED	Own Funds	3 000 000	3 000 000	6 000 000
Economic Development	635005	Capacity Building Programme	Own Funds	0	0	6 000 000
Economic Development	635005	Centre operations	Own Funds	0	0	3 000 000
Economic Development	635005	Strategy Development and Reviewal / Policies and By-laws	Own Funds	0	0	3 000 000
Economic Development	635005	Destination Marketing Programme (Tourism Buffalo City Grant)	Own Funds	0	0	10 000 000
Economic Development	635005	Economic Events Programme (summer season, Buyelekhaya, Easter Programme, winter, tourism month, excluding sport events Ironman and Africa Open)	Own Funds	0	0	40 000 000
Economic Development	635005	Tourism Research and information System	Own Funds	0	0	2 000 000
Economic Development	635005	Culture and Heritage Programmes	Own Funds	0	0	10 000 000
Economic Development	635005	Trade and investment programmes	Own Funds	0	0	10 000 000
Economic Development	635005	Agriculture and rural development support Programme	Own Funds	0	0	10 000 000

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 OPERATING PROJECTS BUDGET

ANNEXURE "D"

Directorate	Cost Centre	Project Name	Funding Source	2015-2016 Opex Budget	2016-2017 Opex Budget	2017-2018 Opex Budget
		TOTAL : ECONOMIC DEVELOPMENT		**3 000 000**	**3 000 000**	**100 000 000**
HUMAN SETTLEMENTS						
Human Settlements	250005	DVRI Planning Budget (FROM 8.7MIL)	Dept of LGTH	2 000 000	1 000 000	1 000 000
Human Settlements	255005	Municipal Human Settlement Capacity Grant	MHSCG	9 253 000	9 253 000	10 641 000
Human Settlements	255005	Reeston Phase 3: Stage 2 - P5	HSDG	25 000 000	30 000 000	5 000 000
Human Settlements	255005	Beneficiary Registration DVRI Projects (Reeston, Cambridge, DVRI Pilot, Braelyn ext 10, C Section and Triangular Site, D Hostel)	HSDG	100 000	0	0
Human Settlements	255005	Beneficiary Registration (Potsdam Unit V, Cluster 3, Orange Groove, Mdantsane Zone CC, Cluster 1, Cluster 2, Peelton Cluster, Hanover, Skobeni, Sunny South, Ilitha North, Dimbaza 110, Dimbaza Phase 3,Potsdam Village; North Kanana, Ikhwezi Block 1 & 2, Amalinda Co-op, Eradication of Wooden Houses to Formal Houses	USDG	500 000	500 000	500 000
Human Settlements	255005	Potsdam Village Phase 1 & 2 - P5	USDG	1 000 000	1 000 000	200 000
Human Settlements	255005	Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	USDG	700 000	500 000	300 000
Human Settlements	255005	Ilitha Eradication of Wooden Houses to Formal Houses	HSDG	380 294	0	0
Human Settlements	255005	Ilitha North - 177 Units P5	HSDG	10 000 000	5 000 000	500 000
Human Settlements	255005	Reconstruction of Storm Damaged Houses	HSDG	13 000 000	100 000	0
Human Settlements	255005	Sunny South -P5	HSDG	1 500 000	0	0
Human Settlements	255005	Tyutyu Phase 3	HSDG	0	10 000 000	10 000 000
Human Settlements	255005	Potsdam Village Phase 1 & 2 - P5	HSDG	34 000 000	46 000 000	5 000 000
Human Settlements	255005	Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5	HSDG	100 190 955	33 000 000	32 000 000
Human Settlements	255005	Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe) P5 (Name Change)	HSDG	15 000 000	75 000 000	3 000 000
Human Settlements	255005	Cluster 3 (Fynbos 1; Fynbos 2; Ndancama,) P5	HSDG	100 861 424	26 000 000	83 000 000
Human Settlements	255005	Housing Needs Database and Acrreditation	HSDG	10 818 705	11 000 000	12 100 000
Human Settlements	255005	Reeston Phase 3 Stage 3 P5	HSDG	59 804 569	30 000 000	5 000 000
Human Settlements	255005	Amalinda Co - Op P5	HSDG	4 000 000	16 000 000	15 000 000
Human Settlements	255005	Amalinda Fairlands P5	HSDG	500 000	5 000 000	3 500 000
Human Settlements	255005	Braelyn Ext 10 North - P5	HSDG	10 000 000	20 000 000	37 000 000
Human Settlements	255005	C Section and Triangular Site - P5	HSDG	20 000 000	25 000 000	15 000 000
Human Settlements	255005	D Hostel - P5	HSDG	15 000 000	25 000 000	15 000 000

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 OPERATING PROJECTS BUDGET

ANNEXURE "D"

Directorate	Cost Centre	Project Name	Funding Source	2015-2016 Opex Budget	2016-2017 Opex Budget	2017-2018 Opex Budget
Human Settlements	255005	Duncan Village Proper	HSDG	0	10 000 000	30 000 000
Human Settlements	255005	Mdantsane Zone 18CC - P5	HSDG	15 000 000	67 500 000	68 000 000
Human Settlements	255005	Potsdam Ikhwezi Block 1 - P5	HSDG	20 000 000	48 900 000	3 000 000
Human Settlements	255005	Potsdam Ikhwezi Block 2- P5	HSDG	0	31 000 000	57 200 000
Human Settlements	255005	Potsdam North Kanana - P5	HSDG	0	43 000 000	50 000 000
Human Settlements	255005	Dimbaza 110 -P 5 (Top Structure)	HSDG	1 000 000	0	0
Human Settlements	255005	Dimbaza Destitute 27 Units - P5	HSDG	0	0	0
Human Settlements	255005	Disaster Project - Tsholomnqa	HSDG	7 500 000	6 000 000	1 000 000
Human Settlements	255005	Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	HSDG	28 000 000	40 000 000	48 000 000
Human Settlements	255005	Hanover - P5	HSDG	15 000 000	15 000 000	15 000 000
Human Settlements	255005	Skobeni - P5	HSDG	15 000 000	15 000 000	15 000 000
Human Settlements	255005	Relocation of beneficiaries to formal houses for all housing programmes - All Projects	Own Funds	5 350 000	3 000 000	0
Human Settlements	255005	Beneficiary Verification Projects	Own Funds	2 000 000	2 000 000	0
Human Settlements	255005	Mdantsane Sharing Houses Dispute	Own Funds	1 000 000	1 000 000	1 000 000
		TOTAL: HUMAN SETTLEMENTS		**543 458 947**	**651 753 000**	**541 941 000**
DIRECTORATE OF HEALTH AND PUBLIC SAFETY						
Health and Public Safety	710030	M.H.S. Projects(Surveilance of non communicable disease, food & water quality monitoring)	Own Funds	200 000	350 000	350 000
Health and Public Safety	725055	Community Based Risk Reduction	Own Funds	0	130 000	190 000
Health and Public Safety	725055	Disaster Management Sector Plans	Own Funds	0	280 000	100 000
Health and Public Safety	725055	Disaster Management: Education, Training and Awareness	Own Funds	0	80 000	100 000
Health and Public Safety	725015	Community Safety Forums	Own Funds	0	20 000	20 000
		TOTAL: HEALTH AND PUBLIC SAFETY		**200 000**	**860 000**	**760 000**
DIRECTORATE OF COMMUNITY SERVICES						
Community Services	755025	Environmental Enhancement: Parks and Cemeteries	Own Funds	0	10 000 000	10 000 000
Community Services	760025	Reeston MPCC - DVRI	HSDG-(MPCC)	0	2 000 000	0
Community Services	770030	Operation and Management of Transfer Stations - 3 x Sites	Own Funds	4 000 000	5 000 000	4 000 000

BUFFALO CITY METROPOLITAN MUNICIPALITY
2015-2018 OPERATING PROJECTS BUDGET

ANNEXURE "D"

Directorate	Cost Centre	Project Name	Funding Source	2015-2016 Opex Budget	2016-2017 Opex Budget	2017-2018 Opex Budget
Community Services	770030	17800 X240 Litre Wheelie Bins	Own Funds	8 500 000	10 000 000	10 000 000
Community Services	770030	Waste Minimisation Initiatives - Programme	Own Funds	0	3 600 000	0
Community Services	770030	Feasibility Study - Waste Management Models	Own Funds	0	850 000	0
Community Services	755035	Coastal Management Program	Own Funds	0	300 000	0
Community Services	755035	Review of IEMP& CZMP	Own Funds	0	250 000	0
Community Services	755025	Bush Clearing Programmes	Own Funds	0	3 000 000	3 000 000
Community Services	755025	Grass Mowing (IDZ and Co-OPS	Own Funds	0	5 000 000	5 000 000
Community Services	755025	Grounds Maintenance: Halls	Own Funds	0	1 500 000	1 500 000
Community Services	755025	Grounds Maintenance: Sportsfield	Own Funds	0	2 500 000	2 500 000
Community Services	755025	Grounds Maintenance: (Swimming Pools, Beaches and Resorts)	Own Funds	0	3 000 000	3 000 000
		TOTAL: COMMUNITY SERVICES		**12 500 000**	**47 000 000**	**39 000 000**
		TOTAL OPERATING PROJECTS		**671 320 847**	**793 850 900**	**735 548 900**

BUFFALO CITY METROPOLITAN MUNICIPALITY TARIFF BOOK INDEX

ITEM	SERVICE	PAGE
1	ELECTRICITY TARIFFS AND CHARGES	1 - 11
2	WATER TARIFF AND CHARGES	12 - 20
3	SEWERAGE TARIFFS	21 - 29
4	ASSESSMENT RATES	
4.1	Municipal Property Rates	30
4.2	Uniform Flat Rates	31 - 33
4.3	Rates Other	33
5	AQUARIUM	34
6	ZOO	34
7	BOAT REGISTRATION	35
8	NATURE RESERVE	35
9	BEACHES	36 - 37
10	SWIMMING POOLS	38 - 42
11	RESORTS AND CARAVAN PARKS	43 - 44
12	SPORTSFIELDS	
12.1	East London	45 - 47
12.2	King William's Town	48 - 49
12.3	Bhisho	49
13	HALLS	50
13.1	East London	51 - 55
13.2	King William's Town	56 - 57

ITEM	SERVICE	PAGE
14	ENVIRONMENTAL SERVICES	
14.1	East London	58 - 60
14.2	King William's Town	61
15	CEMETERIES	
15.1	East London	62 - 65
15.2	King William's Town and Breidbach	66 - 67
15.3	Ginsberg, Dimbaza, Zwelitsha, Phakamisa & Ilitha & Bisho	67 - 68
16	LIBRARY	69 - 70
17	WASTE MANAGEMENT	71 - 75
18	CITY HEALTH DEPARTMENT	76
19	FIRE & EMERGENCY SERVICES	77 - 79
20	ADMINISTRATION CHARGE-OUT TARIFFS	79
21	DEVELOPMENT PLANNING TARIFF FEES	80 - 84
22	SCIENTIFIC SERVICES TARIFF CHARGES	85 - 87
23	EAST LONDON FRESH PRODUCE MARKET	88
24	ALL DIRECTORATES - GENERAL TARIFFS	89 - 91
25	FEES PAYABLE IN TERMS OF THE ACCESS TO INFORMATION ACT	92 - 93
26	EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	
26.1	Water Supply	94 - 96
26.2	Sewerage	96
26.3	Trade Effluent	97 - 99
26.4	Electricity Supply	99 - 100

29 May 2015

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1		**ELECTRICITY TARIFFS AND CHARGES**						
1.1		**Credit Metering**						
1.1.1	EL0100	**Scale 1A - Domestic**						
a		Charge per kWh supplied; and	1 39250	0 19495	1 5875	1 56239	0 21873	1 7811
b		Basic charge per month or part thereof (payable whether or not any electricity is used)	29 69645	4 15750	33 8540	33 31942	4.66472	37 9841
1.1.2		**Pre Payment Metering**						
a		**Scale 1B - Domestic**	1 39250	0 19495	1 5875	1 56239	0.21873	1 7811
b		**Scale 2B - Small Power Users (Domestic 50kVA only)**	1 61120	0 22557	1 8368	1 80777	0 25309	2 0609
c		**Scale 3C - Large Power Users (50kVA up to 150kVA Commercial / Industrial)**	1 71650	0 24031	1 9568	1 92591	0.26963	2 1955
1.1.3		**Indigent Consumers and Pensioners (Pensioners not in receipt of a total monthly income from all sources (including income of the spouse) exceeding double the state pension payable per month will be eligible)**						
a		First 50 kWh (Indigent) Pre Payment & Credit Metering	-	-	-	-	-	-
b	BC0100	**Scale 1C** - Second 50 kWh Life Line for Indigent & Pensioners Charge per kWh supplied (i.e 51 - 100 kWh)	0 99240	0 13894	1 1313	1 11347	0 15589	1.2694
1.1.4	EL0200	**Scale 2A - Small Power Users - Up to 50kVA (Credit Metering)**						
a		Charge per kWh supplied; and	1 41120	0 19757	1.6088	1.58337	0 22167	1 8050
b		Basic charge per month or part thereof (payable whether or not any electricity is used)	136 15000	19.06100	155.2110	152 76030	21 38644	174 1467
1.1.5	EL0300	**Scale 3A - Large Power Users - 80kVA and above Supply at a nominal voltage of 400V**						
a		Basic charge per month or part thereof (payable whether or not any electricity is used)	669.80000	93 77200	763 5720	751.51560	105.21218	856 7278
b		Demand charge per month per kVA of the maximum demand supplied in the month	206 47000	28.90580	235.3758	231.65934	32 43231	264.0916
c		An Energy charge for all electricity supplied in the month (per kWh)	0 56120	0.07857	0 6398	0 62967	0.08815	0 7178
1.1.6	EL0301	**Scale 3B - Large Power Users - 1MVA and above. Supply at a nominal voltage of 11kV**						
a		Basic charge per month or part thereof (payable whether or not any electricity is used)	1 006 77000	140 94780	1 147 7178	1 129 59594	158 14343	1 287 7394
b		Demand charge per month per kVA of the maximum demand supplied in the month	193 91000	27 14740	221 0574	217 56702	30 45938	248 0264
c		An Energy charge for all electricity supplied in the month (per kWh)	0 51930	0 07270	0.5920	0 58265	0.08157	0.6642

Item	Code	Service		2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.1.7		**Scale 4 - Time-Of-Use**							
1.1.7.1		**Scale 4A - Time-Of-Use [Minimum Requirement: 400V 80kVA but < 1 MVA Supply]**							
a		Basic charge per month or part thereof (payable whether or not any electricity is used)		595.66000	83.39240	679.0524	668.33052	93.56627	761.8968
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**							
b.1		During low demand months		88.01000	12.32140	100.3314	98.74722	13.82461	112.5718
b.2		During high demand months		97.06000	13.58840	110.6484	108.90132	15.24618	124.1475
c		**Active Energy Charges / kwh**							
		Low Demand (Sept - May)	Peak	1.47240	0.20614	1.6785	1.65203	0.23128	1.8833
			Standard	0.86390	0.12095	0.9848	0.96930	0.13570	1.1050
			Off Peak	0.53110	0.07435	0.6055	0.59589	0.08343	0.6793
		High Demand (June - Aug)	Peak	2.65820	0.37215	3.0303	2.98250	0.41755	3.4001
			Standard	0.96120	0.13457	1.0958	1.07847	0.15099	1.2295
			Off Peak	0.57510	0.08051	0.6556	0.64526	0.09034	0.7356
d		Reactive Energy Charge. Standard 30 minute integrating periods. (R cents/kvarh)		0.10130	0.01418	0.1155	0.11366	0.01591	0.1296
1.1.7.2		**Scale 4B - Time-Of-Use [Minimum Requirement: 11kV, 1 MVA but < 10 MVA Supply]**							
a		Basic charge per month or part thereof (payable whether or not any electricity is used)		1 110.10000	155.41400	1 265.5140	1 245.53220	174.37451	1 419.9067
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**							
b.1		During low demand months		72.94000	10.21160	83.1516	81.83868	11.45742	93.2961
b.2		During high demand months		80.85000	11.31900	92.1690	90.71370	12.69992	103.4136
c		**Active Energy Charges / kwh**							
		Low Demand (Sept - May)	Peak	1.40310	0.19643	1.5995	1.57428	0.22040	1.7947
			Standard	0.79990	0.11199	0.9119	0.89749	0.12565	1.0231
			Off Peak	0.49140	0.06880	0.5602	0.55135	0.07719	0.6285
		High Demand (June - Aug)	Peak	2.54440	0.35622	2.9006	2.85482	0.39967	3.2545
			Standard	0.86160	0.12062	0.9822	0.96672	0.13534	1.1021
			Off Peak	0.49430	0.06920	0.5635	0.55460	0.07764	0.6322
d		Reactive Energy Charge. Standard 30 minute integrating periods. (R cents/kvarh)		0.10130	0.01418	0.1155	0.11366	0.01591	0.1296
1.1.7.3		**Scale 4C - Time-Of-Use [Minimum Requirement: 11kVA > 10 MVA Supply]**							
a		Basic charge per month or part thereof (payable whether or not any electricity is used)		1 023.14000	143.23960	1 166.3796	1 147.96308	160.71483	1 308.6779
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**							
b.1		During low demand months		72.94000	10.21160	83.1516	81.83868	11.45742	93.2961
b.2		During high demand months		80.75000	11.30500	92.0550	90.60150	12.68421	103.2857
c		**Active Energy Charges / kwh**							
		Low Demand (Sept - May)	Peak	1.35550	0.18977	1.5453	1.52087	0.21292	1.7338
			Standard	0.75790	0.10611	0.8640	0.85036	0.11905	0.9694
			Off Peak	0.43560	0.06098	0.4966	0.48874	0.06842	0.5572
		High Demand (June - Aug)	Peak	2.49450	0.34923	2.8437	2.79883	0.39184	3.1907
			Standard	0.84470	0.11826	0.9630	0.94775	0.13269	1.0804
			Off Peak	0.48460	0.06784	0.5524	0.54372	0.07612	0.6198
d		Reactive Energy Charge. Standard periods. 30 minute integrating period		0.10230	0.01432	0.1166	0.11478	0.01607	0.1308

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.1.8	EL0401	**Scale 5 - Streetlighting**						
a		A Basic charge per streetlighting luminaire per month, plus	9.20563	1.28879	10.4944	10 32871	1 44602	11 7747
b		A Demand charge per month per KW installed plus	112 85137	15 79919	128.6506	126.61924	17 72669	144 3459
c		Energy charge: Streetlighting	0 97544	0.13656	1 1120	1 09444	0 15322	1.2477
d	EL0402	Energy Charge-Traffic Signals for all electricity supplied in a month	1 17719	0 16481	1 3420	1 32081	0 18491	1 5057
1.1.9	EL0403	**Scale 6 - Temporary and Itinerant**						
a		Charge per kWh supplied or	3.61251	0.50575	4 1183	4 05323	0 56745	4.6207
b		Minimum charge per month or part thereof shall be charged whether electricity to this value is supplied or not	194 43391	27.22075	221.6547	218 15485	30 54168	248 6965
1.1.10	EL0406	**Scale 8 - Sportsfield lighting and Schools**						
		Energy Charge						
		First 2000 kWh	2 03130	0 28438	2 3157	2 27912	0.31908	2 5982
		Next 8000kWh	1 50684	0 21096	1 7178	1.69067	0.23669	1 9274
		Above 10 000 kWh	2 11961	0.29675	2 4164	2 37820	0 33295	2 7111
		Minimum charge per month, or part thereof	267 96918	37 51568	305 4849	300 66142	42 09260	342 7540

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.2		**Service Connection Fees (Subject To Standard Conditions Of Supply)**						
1.2.1		Type A1 Overhead Supply kVA Range 0-7 Type of Consumer State Assisted RDP Housing Schemes Only Type of Connection From existing Low Voltage (LV) Reticulation to the readyboard mounted in the interior of the dwelling. **Consumers C/B 30A Single Phase**	1 064.04	148.96	1 213.00	1 169.30	163.70	1 333.00
1.2.2		Type A2 Underground Supply kVA Range 0-7 Type of Consumer ENERGY SAVING Domestic / Commercial Type of Connection From existing LV Reticulation to the consumer's LV point of supply at a meter box mounted on the boundary of the consumer's premises **Consumers C/B 30A Single Phase**	9 135.96	1 279.04	10 415.00	10 040.35	1 405.65	11 446.00
1.2.3		Type A3 kVA Range 0-15 Type of Consumer Domestic Commercial Type of Connection From existing LV Reticulation to the consumer's LV point of supply at a meter box mounted on the boundary of the consumer's premises **Consumers C/B 70A Single Phase**	16 200.00	2 268.00	18 468.00	17 803.51	2 492.49	20 296.00
1.2.4		Type A4 kVA Range 0-15 Type of Consumer Domestic Commercial Type of Connection From existing LV O/H Reticulation to the consumer's Pre-Payment meter, up to 30 meters of 10mm Airdac **Consumers C/B 70A Single Phase**	11 092.11	1 552.89	12 645.00	12 190.35	1 706.65	13 897.00
1.2.5		Type B1 kVA Range 50kVA ; 80A ; 400V Type of Consumer Domestic , Commercial Credit Meter service Type of Connection Medium residential and commercial three phase underground service	22 160.53	3 102.47	25 263.00	24 354.39	3 409.61	27 764.00
1.2.6		Type B2 kVA Range 50kVA ; 80A ; 400V Type of Consumer Domestic , Commercial pre-payment Meter Type of Connection Medium residential and commercial three phase underground service	30 192.98	4 227.02	34 420.00	33 182.46	4 645.54	37 828.00

Item	Code	Service		2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.2.7		Type	B3						
		kVA Range	50kVA , 80A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			80kVA , 125A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			150kVA , 225A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			200kVA , 300A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			315kVA , 450A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			500kVA , 700A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			800kVA , 1200A , 400V	Actual Cost		Actual Cost	Actual Cost		Actual Cost
		Type of Consumer	Supply to Town House developments, Flats and Cluster Homes with individual Domestic Pre-Payment meters.						
		Type of Connection	Commercial underground service						
		NOTE:	**Actual costs will be priced on an application and submission of the Design Package submitted by a Registered Electrical Consulting Engineer.**						
1.2.8.1		Type	C						
		kVA Range	50 (up to 40m, 16mm, 4 core cable)	40 935 96	5 731 04	46 667.00	44 988 60	6 298 40	51 287 00
			80 (up to 100m, 35mm, 4 core cable)	86 423 68	12 099 32	98 523.00	94 979.82	13 297 18	108 277 00
			150 (up to 100m, 120mm, 4 core cable)	141 119 30	19 756 70	160 876 00	155 090 35	21 712 65	176 803.00
			200 (up to 100m, 185mm, 4 core cable)	185 314 91	25 944 09	211 259.00	203 661 40	28 512 60	232 174 00
			Any additional cable required will be charged at actual cost per meter.						
		Type of Consumer	Commercial / Industrial						
		Type of Connection	From existing LV Reticulation to the consumer's LV point of supply at a meter cubicle mounted on the boundary of consumer's premises or cubicle on consumer's premises or a meter room (Underground services)						
		NOTE:	**If existing network has NO Capacity, the following percentage of Actual Cost will apply:-**						
			-50kVA	30%		30%	30%		30%
			-80kVA	40%		40%	40%		40%
			-150kVA	55%		55%	55%		55%
			-200kVA	70%		70%	70%		70%
1.2.8.2		**Note: 50kVA up to 150kVA Pre-Payment Meter. Fee payable in addition to the above costs for a 50kVA up to 150kVA Commercial / Industrial Supply.**		15 638 60	2 189 40	17 828 00	17 186 84	2 406 16	19 593.00
1.2.9		**Network Upgrade Charge** To be charged on ALL connections IN ADDITION TO the relevant Connection Fee from 80kVA and above, in R / kVA		108 77	15 23	124.00	119.30	16 70	136.00

Item	Code	Service		2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.2.10		Type	D						
		kVA Range	315	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			500	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			630	Actual Cost		Actual Cost	Actual Cost		Actual Cost
			800	Actual Cost		Actual Cost	Actual Cost		Actual Cost
		Type of Consumer	Domestic / Commercial Only						
		Type of Connection	The miniature substation to be situated on the consumer's site and on the street boundary						
		NOTE:	**The ACTUAL COSTS, including any extentions to the network will apply.**						
1.2.11		Type	E						
		kVA Range	315	399 510 53	55 931 47	455 442 00	439 062 28	61 468 72	500 531 00
			500	492 082 46	68 891 54	560 974 00	540 798 25	75 711 75	616 510 00
			630	515 660 53	72 192 47	587 853 00	566 710 53	79 339 47	646 050 00
			800	569 612 28	79 745 72	649 358 00	626 003 51	87 640 49	713 644 00
		Type of Consumer	Commercial / Industrial						
		Type of Connection	Point of supply at a meter room situated adjacent to or integral with the substation building on the consumer's premises						
1.2.12		Type	F	Actual Cost		Actual Cost	Actual Cost		Actual Cost
		kVA Range	1 MVA and above						
		Type of Consumer	Large Commercial or Industrial						
		Type of Connection	11 kV supply from the Council's metered circuit breaker to the consumer's 11kV switchgear						
1.3		**Fees, Services & Charges**							
1.3.1		**Conversion from Conventional Credit Energy Meter to Pre-payment Meter**							
		Fees payable							
a.		Domestic/Commercial Single Phase Consumers		286 84	40 16	327 00	314 91	44 09	359.00
b.		Domestic/Commercial Three Phase Consumers		4 264 04	596 96	4 861 00	4 685 96	656 04	5 342.00
c.		Commercial / Industrial Three Phase up to 150kVA Supply (Meter supplied ONLY)		15 638.60	2 189.40	17 828 00	17 186 84	2 406 16	19 593.00
1.3.2		**Conversion from pre-payment meter to conventional credit energy**		12 213 16	1 709 84	13 923.00	13 421 93	1 879.07	15 301.00
1.3.3		**Connection of New Supplies, Reconnection of Existing Supplies Temporarily Disconnected at the request of the Consumer.**							
		The consumer shall, on application for a supply of electricity by means of a credit meter or for the reconnection of a supply to an installation temporarily disconnected at the request of the consumer, pay to the Office of the Chief Financial Officer		171 93	24.07	196.00	188 60	26.40	215.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.3.4		**Conversion from Single phase or 3 phase Overhead- to Underground Connection**	Actual Cost		Actual Cost	Actual Cost		Actual Cost
1.3.5		**Amounts payable for First, Second and Third Line Actions**						
a		Successfully disconnected for non payment, First Line Action Fee	221 93	31 07	253.00	243 86	34 14	278.00
b		Unsuccessful First Line Action, A Second Line Action Fee	651 75	91 25	743.00	716 67	100 33	817.00
c		In the event of a Third Line Action Fee	1 938 60	271 40	2 210.00	2 130 70	298 30	2 429.00
d		Service installation disconnected and isolated for non-compliant wiring	565 79	79.21	645.00	621 93	87.07	709.00
1.3.6		**Amounts Payable for Tampering with Electricity Meters or Metering Installations**						
a		Metering shall be removed and returned to workshop for accuracy compliance and the metering installation tested.	3 383 33	473.67	3 857 00	3 718.42	520 58	4 239.00
b		Metering shall be removed and returned to workshop for accuracy compliance and the metering installation tested. Second occasion	5 639.47	789 53	6 429.00	6 197 37	867 63	7 065.00
c		Metering shall be removed and returned to workshop for checking, third time	9 019.30	1 262 70	10 282.00	9 912 28	1 387 72	11 300 00
d		Where disconnected as a result of the illegal bypassing of a meter, meter tampering or for tampering with the metering installation, for:						
d.1		Business or commercial connection, where the **minimum** charge shall be the greater of R8630 or an amount equivalent to 20% of the average monthly electricity consumption per connection	8 289 47	1 160.53	9 450 00	9 110 53	1 275.47	10 386.00
d.2		Retrofit of business meter to an Automated Meter Reading (AMR) type meter **Note: Where a business customer has tampered with municipal metering, the applicable penalty charge will compriso of both fees indicated in terms of d.1 & 2**	7 695.61	1 077 39	8 773.00	8 457 89	1 184 11	9 642.00
1.3.7		**Call outs of Council Employees**						
a		07h00 - 17h00 On Weekdays	313 16	43.84	357.00	343 86	48 14	392 00
b		17h00 - 07h00 On Saturdays & Sundays	398 25	55 75	454 00	437 72	61 28	499.00
c		Inspection of electrical wiring installations on request Payable in advance						
c.1		Domestic installations	643 86	90 14	734 00	707 89	99 11	807 00
c.2		Other installations, per hour or part thereof	364 04	50 96	415.00	400.00	56.00	456 00
1.3.8		**Re-inspection of Electrical Installation**						
a		Payable in advance in respect of the re-inspection and / or testing of an installation necessitated by the failure of an installation to pass the first inspection / test	313 16	43.84	357 00	343 86	48.14	392.00
b		Any subsequent inspection / test or per inspection or test	407 89	57.11	465.00	448 25	62 75	511 00
1.3.9		**Alterations to Existing Service Connections** Charges for alterations to existing service connections shall be the costs as computed by the General Manager Electrical & Mechanical Services						
1.3.10		**Special or Check Readings of Service Meters** The fees payable in advance, by consumers, to the Office of the Chief Financial Officer for special or check readings of service meters, for each reading	117 54	16 46	134.00	128 95	18.05	147.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
1.3.11		**Testing of Service Meters** A consumer shall have the right at any time to have the meter, on the readings of which his account is based, tested by the Council on depositing with the Office of the Chief Financial Officer the sum of	215.79	30.21	246.00	236.84	33.16	270.00
		Such deposit shall be refunded if the meter error is found to be greater than plus or minus 2.5% and the account will be adjusted						
1.3.12		**Consumer Deposits** In the case of the following categories of consumers, the estimated charges for a supply of electricity for a period of **three (3) months**.						
a		All new consumers in flat premises						
b		Transfer of supplies to flat premises						
c		All consumers upon discontinuation of supplies due to non-payment of accounts	2 336.84	327.16	2 664.00	2 621.93	367.07	2 989.00
d		All consumers in default through non-payment of account by the set due date on more than one occasion as may be determined by the Chief Financial Officer from time to time in the light of the prevailing circumstances						
e		Council resolved that the indigent do not pay a deposit for services or rental.						
f		The rental deposit for all council property is equal to one months rent. In the case of all other consumers, the estimated charges for a supply of electricity for a period of **two (2) months, subject to a minimum of**	2 336.84	327.16	2 664.00	2 621.93	367.07	2 989.00
		Provided further that all new consumers deposits may be reviewed after a period of **six (6) months** to ascertain a realistic value of deposit and the consumer called upon to deposit any additional amount revealed in the review.						
g		Deposit per kVA (VAT not applicable)	461.00		461.00	517.00		517.00
1.3.13		**Electricity connection in the case of the following categories of pensioners shall be:**						
a		Old Age Social Welfare Pensioners, subject to the applicant producing his / her Old Age Social Welfare Pension Card	199.12	27.88	227.00	218.42	30.58	249.00
b		An amount to be determined by the Chief Financial Officer at his discretion, in respect of other pensioners of a category similar to those mentioned in (a) above, subject to their producing acceptable evidence of the amount of their pensions.						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
1.3.14		**Availability Charges (Per month)** In respect of any vacant property, which is not connected to the electricity supply of the Council and which in the opinion of the Council can reasonably be so connected, a charge per month shall become due and payable by the registered owner of such property on the date upon which electricity						
a		Domestic	63.16	8.84	72.00	69.30	9.70	79.00
b		Non Domestic	128.07	17.93	146.00	140.35	19.65	160.00
1.3.15		**Interest** Interest, at the set rate as provided for in terms of Sect 64(2)(g) of the Municipal Finance Management Act (Act 56 of 2003), will be charged on all electricity accounts not paid on the due date and that part of a month be considered to be a full month on the application of the interest charged						
1.3.16		**Sale of Equipment**						
a		Standard night latch	279.82	39.18	319.00	307.89	43.11	351.00
b		Standard padlock						
b.1		- Standard padlock - meter room	199.12	27.88	227.00	218.42	30.58	249.00
b.2		- Standard padlock - substation	199.12	27.88	227.00	218.42	30.58	249.00
c		Meter box single phase including disconnect and reconnect	947.37	132.63	1 080.00	1 041.23	145.77	1 187.00
d		Meter box three (3) phase including disconnect and reconnect	1 044.74	146.26	1 191.00	1 148.25	160.75	1 309.00
1.3.17		**Temporary Builders Supply**						
a		Single phase	865.79	121.21	987.00	951.75	133.25	1 085.00
b		Three Phase up to 70A	1 060.53	148.47	1 209.00	1 165.79	163.21	1 329.00
1.3.18		**Change of Metering**						
a		Change single phase to three phase meter	3 840.35	537.65	4 378.00	4 220.18	590.82	4 811.00
b		Change three phase to C.T. Metering (80kVA and above)	4 365.79	611.21	4 977.00	4 798.25	671.75	5 470.00
c		Provision of additional single phase meter	1 555.26	217.74	1 773.00	1 709.65	239.35	1 949.00
1.3.19		**Disconnection and Reconnection**						
a		Disconnection and Reconnection for fumigation	500.00	70.00	570.00	549.12	76.88	626.00
1.3.20		**Replacement of Lost Pre-paid Electricity Card**	11.40	1.60	13.00	12.28	1.72	14.00
1.3.21		**400KvA Generator** Rental Per Day (Excl Diesel)	4 657.89	652.11	5 310.00	5 119.30	716.70	5 836.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
1.4		**Electricity By-law Fines**						
1.4.1		**Appliance with rating greater than 15KVA connected to the network without approval**	640.35	89.65	730.00	703.51	98.49	802.00
1.4.2		**Copper Theft**						
a		Theft of Material			Immediate Arrest			Immediate Arrest
b		Buying of stolen material			Immediate Arrest			Immediate Arrest
1.4.3		**Disconnection**						
a		Disconnection of Service for Non-Payment	221.93	31.07	253.00	243.86	34.14	278.00
b		Disconnection of Service for Non SANS10142 Wiring Compliance	221.93	31.07	253.00	243.86	34.14	278.00
1.4.4		**Damage to Buffalo City Municipality's installed equipment**	640.35	89.65	730.00	703.51	98.49	802.00
1.4.5		**Illegal Connection and Reconnection**						
a		Illegal Service Connection - User / Consumer	640.35	89.65	730.00	703.51	98.49	802.00
b		Illegal Service Connection - Connector			Immediate Arrest			Immediate Arrest
c		Illegal Reconnection of Disconnected Service	640.35	89.65	730.00	703.51	98.49	802.00
1.4.6		**Interference with other consumers' equipment**	384.21	53.79	438.00	421.93	59.07	481.00
1.4.7		**Failure to complay with Issued Notice**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.8		**Failure to register as New Electricity User after a Two Week grace period has lapsed**	640.35	89.65	730.00	703.51	98.49	802.00
1.4.9		**Improper use of electricity**	640.35	89.65	730.00	703.51	98.49	802.00
1.4.10		**Incorrect Power Factor at business premises**	1 278.07	178.93	1 457.00	1 404.39	196.61	1 601.00
1.4.11		**Property Access to inspect equipment is denied**	384.21	53.79	438.00	421.93	59.07	481.00
1.4.12		**Refusing to provide information**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.13		**Rendering false information**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.14		**Refusal of admittance**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.15		**Restricted access to meter room**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.16		**Resale of electricity without a license or approval**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.17		**Selling or supplying electricity without authority**	640.35	89.65	730.00	703.51	98.49	802.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
1.4.18		**Standby Equipment connected to network without authority**	640.35	89.65	730.00	703.51	98.49	802.00
1.4.19		**Tampering with Elecricity Meters or Metering Installations**						
a		**Domestic**						
a.1		Part 1 - Penalty	3 383.33	473.67	3 857.00	3 718.42	520.58	4 239.00
a.2		Part 2 - Disconnection Fee	454.39	63.61	518.00	499.12	69.88	569.00
a.3		Part 3 - Back dated Consumption (calculated based on estimated tampering period)			Calculated			Calculated
a.4		Part 4 - New meter	1 399.12	195.88	1 595.00	1 537.72	215.28	1 753.00
b		**Business**						
b.1		Part 1 - Penalty (20% of average monthly consumption, with a minimum of)	8 289.47	1 160.53	9 450.00	9 110.53	1 275.47	10 386.00
b.2		Part 2 - New Automated Meter Reading (AMR) type meter	7 695.61	1 077.39	8 773.00	8 457.89	1 184.11	9 642.00
b.3		Part 3 - Back dated Consumption (calculated based on estimated tampering period)			Calculated			Calculated
c		**Tampering with installed anti-tampering seals**	3 383.33	473.67	3 857.00	3 718.42	520.58	4 239.00
1.4.20		**Use of Electricity supply without a signed consumer agreement with the municipality**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.21		**Unkept Substation Equipment Accommodation Room**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.22		**Unkept Meter Rooms**	256.14	35.86	292.00	281.58	39.42	321.00
1.4.23		**Unlocked Meter Rooms**	256.14	35.86	292.00	281.58	39.42	321.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
2		**WATER TARIFF AND CHARGES**						
2.1		**Deposits**						
		All consumers under this tariff will be required by the Chief Financial Officer to deposit with Council a sum of money as security for payment of any water charges due, or which may become due to the Council. The amounts to be deposited shall be fixed by the Chief Financial Officer, with the minimum of						
2.1.1		Domestic	456.14	63.86	520.00	506.14	70.86	577.00
2.1.2		Industrial	907.89	127.11	1 035.00	1 007.89	141.11	1 149.00
2.1.3		Others	456.14	63.86	520.00	506.14	70.86	577.00
		Provided further that all commercial and industrial consumers' deposits may be reviewed on an annual basis to ascertain a realistic value of deposit and the consumer called upon to deposit any amount revealed in the review.						
		Council resolved that the indigent do not pay a deposit for services or rental.						
2.2		**Normal Consumption**						
2.2.1	WA0100	**Domestic**						
		2014/15 / 2015/16						
		0 - 6 kl indigent / 0 - 6 kl (indigent)	-	-	-	-	-	-
		0 - 6 kl (0) / 0 - 6 kl	9.94123	1.39177	11.3330	11.03477	1.54487	12.5796
		7 - 10 kl / 7 - 10 kl	10.13618	1.41906	11.5552	11.25116	1.57516	12.8263
		11 - 20 kl / 11 - 20 kl	14.07783	1.97090	16.0487	15.62640	2.18770	17.8141
		21 - 30 kl / 21 - 30 kl	18.24905	2.55487	20.8039	20.25644	2.83590	23.0923
		31 + kl / 31 + kl	22.90153	3.20621	26.1077	25.42070	3.55890	28.9796
2.2.2	WA0200	Bulk / Industrial Supply	13.93840	1.95138	15.8898	15.47162	2.16603	17.6377
2.2.3		Prepayment water - Communal Standpipe Exceeding 6 kl	6.91290	0.96781	7.8807	7.67332	1.07426	8.7476
2.2.4		Prepayment meter - Consumers	Block Tariff		Block Tariff	Block Tariff		Block Tariff
2.2.5		Metered Fire Connection	13.93833	1.95137	15.8897	15.47155	2.16602	17.6376
2.2.6		Unmetered Fire Connection Per Month	156.26336	21.87687	178.1402	173.45233	24.28333	197.7357
2.3		**Punitive Tariffs And Controls When Water Availability Is Scarce**						
2.3.1		**Punitive Tariff 1A (By special resolution of Council)**						
a	WA0100	**Domestic**						
		2014/15 / 2015/16						
		0 - 6 kl indigent / 0 - 6 kl (indigent)	-	-	-	-	-	-
		0 - 6 kl (0) / 0 - 6 kl	9.85173	1.37924	11.2310	10.93542	1.53096	12.4664
		7 - 10 kl / 7 - 10 kl	10.04491	1.40629	11.4512	11.14985	1.56098	12.7108
		11 - 20 kl / 11 - 20 kl	14.29145	2.00080	16.2922	15.86351	2.22089	18.0844
		21 - 30 kl / 21 - 30 kl	19.40799	2.71712	22.1251	21.54286	3.01600	24.5589
		31 + kl / 31 + kl	25.46310	3.56483	29.0279	28.26404	3.95697	32.2210

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl.VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b	WA0200	Bulk / Commercial / Industrial Supply	16 02931	2 24410	18 2734	17 79253	2 49095	20 2835
c	WA0300	Schools	9.86886	1 38164	11.2505	10 95443	1.53362	12 4881
d	WA0300	Non -profit Organisations	9 86886	1 38164	11.2505	10 95443	1 53362	12 4881
2.3.2		**Punitive tariff 1B**						
		18 - 24 Months storage in sources of Bulk Water						
a	WA0100	**Domestic**						
		2014/15 2015/16						
		0 - 6 kl indigent 0 - 6 kl (indigent)	-	-	-	-	-	
		0 - 6 kl 0 - 6 kl	9 94123	1 39177	11 3330	11 03477	1 54487	12 5796
		7 - 10 kl 7 - 10 kl	10 13618	1 41906	11 5552	11 25116	1 57516	12 8263
		11 - 20 kl 11 - 20 kl	14 07783	1 97090	16 0487	15 62640	2 18770	17 8141
		21 - 30 kl Tariff x 5 21 - 30 kl Tariff x 5	18 24905	2 55487	20.8039	20.25644	2.83590	23 0923
		31 + kl Tariff x 5 31 + kl Tariff x 5	22 90153	3.20621	26 1077	25 42070	3 55890	28 9796
2.3.3		**Punitive Tariff 2**						
		12 - 18 Months storage in sources of Bulk Water						
a	WA0100	**Domestic**						
		2014/15 2015/16						
		0 - 6 kl indigent 0 - 6 kl (indigent)	-	-	-	-	-	
		0 - 6 kl 0 - 6 kl	9 94123	1 39177	11 3330	11 03477	1 54487	12 5796
		7 - 10 kl 7 - 10 kl	10.13618	1 41906	11 5552	11.25116	1.57516	12.8263
		11 - 20 kl Tariff x 5 11 - 20 kl Tariff x 5	14.07783	1 97090	16 0487	15 62640	2 18770	17.8141
		21 - 30 kl Tariff x 5 21 - 30 kl Tariff x 5	18.24905	2 55487	20.8039	20.25644	2.83590	23.0923
		31 + kl Tariff x 10 31 + kl Tariff x 10	22 90153	3.20621	26.1077	25 42070	3 55890	28 9796
b		**RESTRICTIONS**						
		Use of all domestic sprinklers banned. Sportfields restricted to watering twice per week						
2.3.4		**Punitive Tariff 3**						
		9 - 12 Months Storage in sources of Bulk Water						
a	WA0100	**Domestic**						
		2014/15 2015/16						
		0 - 6 kl indigent 0 - 6 kl (indigent)	-	-	-	-	-	
		0 - 6 kl 0 - 6 kl	9 94123	1 39177	11 3330	11 03477	1 54487	12 5796
		7 - 10 kl 7 - 10 kl	10 13618	1 41906	11 5552	11 25116	1 57516	12 8263
		11 - 20 kl Tariff x 5 11 - 20 kl Tariff x 5	14 07783	1 97090	16.0487	15 62640	2 18770	17.8141
		21 - 30 kl Tariff x 20 21 - 30 kl Tariff x 20	18 24905	2 55487	20.8039	20.25644	2 83590	23.0923
		31 + kl Tariff x 20 31 + kl Tariff x 20	22 90153	3.20621	26 1077	25.42070	3 55890	28 9796

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b		**RESTRICTIONS** Use of sprinklers and hosepipes banned. All watering to be done using hand-held containers						
2.3.5		**Punitive Tariff 4** **6 - 9 Months Storage in sources of Bulk Water**						
a	WA0100	**Domestic**						
		2014/15 2015/16						
		0 - 6 kl indigent 0 - 6 kl (indigent)	-	-	-	-	-	-
		0 - 6 kl 0 - 6 kl	9 94123	1 39177	11 3330	11 03477	1 54487	12 5796
		7 - 10 kl 7 - 10 kl	10 13618	1 41906	11.5552	11 25116	1 57516	12 8263
		11 - 20 kl Tariff x 10 11 - 20 kl Tariff x 10	14.07783	1 97090	16.0487	15.62640	2 18770	17 8141
		21 - 30 kl Tariff x 20 21 - 30 kl Tariff x 20	18.24905	2 55487	20 8039	20.25644	2 83590	23.0923
		31 + kl Tariff x 20 31 + kl Tariff x 20	22 90153	3.20621	26 1077	25.42070	3.55890	28 9796
		In addition to the punitive tariffs applicable, a fine will be imposed.						
b		**RESTRICTIONS** All watering with potable water banned.						
2.3.6		**Less than 6 Months Storage in sources of Bulk Purchases.** Water rationing in accordance with a Special Resolution of the Council						
2.4		**Special Agreements**						
	WA0500	Purified sewerage effluent tariff	0.62805	0 08793	0 7160	0.69714	0.09760	0 7947
		Tanker Sales Per Load	1 152 63	161.37	1 314.00	1 279.82	179.18	1 459.00
2.4.1	WA0300	**Non -profit Organisations** Water consumed for normal domestic purposes to be charged for in accordance with the bulk supply rate	10.13138	1 41839	11 5498	11.24583	1.57442	12.8203
2.4.2		**Borehole Water (Kaysers Beach,Kidds Beach,Winterstrand) Plus a Discount** Water used exclusively by schools and charitable organisations for swimming bath purposes or by sporting clubs for developing and maintaining sports grounds or by churches, charitable organisations and Old-Aged Homes for agricultural or horticultural purposes to be separately metered at the consumer's expense and charged for at the Bulk Supply rate less a discount.	10.13138 10%	1 41839	11.5498 10%	11.24583 10%	1.57442	12.8203 10%
2.4.3		**Building Water** Where water from the mains is required for building works, the owner or builder shall apply on the prescribed form and pay the amounts set out below and any monthly accounts						

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
		Value of Building works						
		FEES (Standard Connection Fee)	6 065 79	849.21	6 915.00	6 733 33	942 67	7 676 00
		DEPOSIT = 0,25 % of the total value of building work with a minimum of	928 07	129 93	1 058.00	1 029.82	144 18	1 174 00
		TARIFF (Bulk Supply Rate)	14 91	2 09	17 00	16.67	2.33	19.00
		The deposit or balance thereof will be refunded on completion of the work						
2.4.4		**Special Sales**						
		For special sales of water through a 15mm connection at Municipal standpoints or otherwise, menageries, circuses, shows, etc. a deposit as determined by the Chief Financial officer and the consumption charge shall be and thereafter for each succeeding kl the charge shall be -	Bulk Supply		Bulk Supply	Bulk Supply		Bulk Supply
		A minimum charge be made for each connection, but any expenditure in excess of this amount shall be borne by the consumer on the basis of actual cost plus	999.12 15.00%	139 88	1 139.00 15.00%	1 108.77 15.00%	155.23	1 264.00 15 00%
2.5		**Charges for Connections or Services**						
		The charges for new connections shall be as follows:						
		Water deposits to be paid with connection charges in advance of work being carried out						
		15 mm And 20 mm Domestic And Other Connections						
2.5.1		**New Townships**						
		In townships where water connection leadings have been installed in advance by the developer the following charges will be levied:						
a		Installation of one meter complete with stopcock and meter box	2 328 07	325 93	2 654 00	2 584 21	361 79	2 946.00
b		Installation of two to four meters complete with stopcocks and meter boxes	1 828.07	255 93	2 084.00	2 028 95	284.05	2 313.00
c		Installation of five or more meters complete with stopcock and meter boxes	1 667 54	233.46	1 901.00	1 850 88	259.12	2 110.00
2.5.2		**National and Housing Board Aided Township**						
		Where meters are to be installed, connection fees as in (1) above.						
2.5.3		**Group Housing Schemes with Private Roads**						
		Where a bulk electricity meter is installed a bulk water meter will be installed, unless special application is made for individual water meters to individual title erven:						
		Where a bank of individual electricity meters have been installed and the developer has laid internal mains and connection leadings to each property to municipal standards, individual water meters may be installed by the Council						
		Connection fees as per 2.5.1 above will be charged for individual meters installed by the Council The Council will then read these meters and debit the individual title erven						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
		owners at the standard tariff rate. It is a precondition that unrestricted access to read the meters at all times is available before individual meters may be installed						
2.5.4		**Existing Township Areas**						
		New water meter connection leadings, complete with stopcock and meter box, to mains within 15 metres distance from the main, measured from the property boundary	6 064.04	848.96	6 913.00	6 730.70	942.30	7 673.00
		New water meter connection leadings to main complete with stopcock and meter box in excess of 15 metre distance from the main, measured from the property boundary	6 067.54	849.46	6 917.00	6 735.09	942.91	7 678.00
		Per metre in excess of 15 m for 15mm or 20mm diameter connection an additional charge per metre	157.02	21.98	179.00	174.56	24.44	199.00
2.5.5		**Metered Water Connections 25 mm And Larger**						
a		New water connections up to 15m distance from the main, measured from the property boundary						
a.1		**Normal Metered Connections**						
		25mm	8 204.39	1 148.61	9 353.00	9 107.02	1 274.98	10 382.00
		40mm	14 942.11	2 091.89	17 034.00	16 585.96	2 322.04	18 908.00
		50mm	19 071.93	2 670.07	21 742.00	21 170.18	2 963.82	24 134.00
		80mm	33 128.07	4 637.93	37 766.00	36 771.93	5 148.07	41 920.00
		100mm	44 971.05	6 295.95	51 267.00	49 917.54	6 988.46	56 906.00
		150mm	69 683.33	9 755.67	79 439.00	77 348.25	10 828.75	88 177.00
a.2		**Combination Meters**						
		50mm	42 751.75	5 985.25	48 737.00	47 454.39	6 643.61	54 098.00
		80mm	62 033.33	8 684.67	70 718.00	68 857.02	9 639.98	78 497.00
		100mm	84 958.77	11 894.23	96 853.00	94 304.39	13 202.61	107 507.00
		150mm	125 215.79	17 530.21	142 746.00	138 989.47	19 458.53	158 448.00
a.3		**Sprinkler Connections**						
		100mm (metered)	44 971.05	6 295.95	51 267.00	49 917.54	6 988.46	56 906.00
		150mm (metered)	69 683.33	9 755.67	79 439.00	77 348.25	10 828.75	88 177.00
b		New water connections in excess of 15m distance from the main measured from the property boundary. The above charges will be levied plus an additional charge of:	2.50%		2.50%	2.50%		2.50%
c		Subject to prior approval of the Council, connections outside the Buffalo City Municipal area will be subject to a surcharge of	25.00%		25.00%	25.00%		25.00%

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
2.5.6		**Hire of Temporary Metered Standpipe Connections for Contractors**						
		The charges for the installation and removal of a 50mm metered standpipe connection shall be:	8 222.81	1 151.19	9 374.00	9 127.19	1 277.81	10 405.00
		Plus a deposit to be lodged, which is refundable when this service is no longer required	1 600.00	224.00	1 824.00	1 776.32	248.68	2 025.00
2.5.7		**Flow and Pressure Test of Watermain**						
		The fee for carrying out of a flow and pressure test at any particular area shall be per test	1 762.28	246.72	2 009.00	1 956.14	273.86	2 230.00
2.5.8		**Charge for Visit of Serviceman**						
a		The owner or builder requesting the installation of a connection and does not clear the position, thus making the visit of the serviceman fruitless, shall pay a fee of This fee will also be charged when a serviceman is called out for a problem on the consumers' internal system.	884.21	123.79	1 008.00	981.58	137.42	1 119.00
b		The closing and re-opening of municipal stopcocks or valves, when requested by consumers, shall be carried out at a fee per visit of	1 717.54	240.46	1 958.00	1 906.14	266.86	2 173.00
c		A reconnection fee shall be charged for the insertion and removal of a restrictive washer during working hours and an additional charge will be levied if the restrictive washer is removed after hours, such an amount to be paid by the consumer prior to the removal of the washer	228.07	31.93	260.00	253.51	35.49	289.00
2.5.9		**Repair of Meter Connection or Stopcock**						
		Connections or stopcocks damaged by the owner or builder will be replaced or repaired at a fee per connection up to 25mm diameter	1 838.60	257.40	2 096.00	2 041.23	285.77	2 327.00
		Fee per connection greater than 25mm diameter	2 936.84	411.16	3 348.00	3 259.65	456.35	3 716.00
2.5.10		**Disconnection of Water**	884.21	123.79	1 008.00	981.58	137.42	1 119.00
2.5.11		**Removal of Connections**						
a		Moving of connection from one position to another shall be charged at actual cost.						
b		Where a meter has been temporarily removed at the request of the owner, the cost of replacing the meter at a later date will be	1 104.39	154.61	1 259.00	1 225.44	171.56	1 397.00
c		Inspection of metered premises at the request of the consumer, for leakage or waste of water, per inspection, fee payable	884.21	123.79	1 008.00	981.58	137.42	1 119.00
2.5.12		**Removal or By-passing of Meters**						
		Where a meter has been removed and/or by-passed by an occupier / owner a fee shall be charged for the replacement of the meter	1 838.60	257.40	2 096.00	2 041.23	285.77	2 327.00
		A charge shall be levied for metered water used	1 104.39	154.61	1 259.00	1 225.44	171.56	1 397.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
2.5.13		**Availability Charge** In respect of any vacant property, which is not connected to the water supply of the Council and which, in the opinion of the Council, can reasonably be so connected, a charge for each month or part thereof shall become due and payable by the registered owner of such property on the date upon which Domestic / Non Domestic water becomes due and payable. When the service is connected or disconnected, either wholly or partially, with the prior consent of the Director of Engineering Services, the charges shall be adjusted proportionately on a pro-rata basis and will exclude the month during which the disconnection is made. This will only apply provided the application is made in writing by the owner of the property within **three (3) months** from the date on which the service was disconnected. If the aforementioned requirements are not complied with by the owner of the property concerned, adjustments of the charge will only be made with effect from July of the financial year following the date on which written notification of the connection of the services is given by the owner or his agent. The registered owner of the property in respect of which this charge is payable shall be primarily liable for payment thereof. If, on the expiration of **three (3) months** from the the date on which the charge became due and payable, the owner primarily liable has failed to pay such charge, a demand in writing shall be served on him requiring him to pay the amount stated therein within **fourteen (14) days** of the service thereof Should the owner primarily liable for the charge fail to comply with the said charges, any person who at any time in the year in respect of which the charge is due:- (a) becomes the subsequent owner of the property concerned shall be liable for the charge for that financial year; (b) is or was the occupier of the property concerned shall be liable for such charge for that year up to the amount of the rent due by him but not yet paid. The persons referred to in (a) and (b) above shall be liable for the charge jointly and severally with each other and with the owner primarily liable. No legal proceedings shall be instituted against any person referred to in (a) and (b) above for the recovery of the charges unless and until a demand in writing shall have been served upon him requiring him to pay the amount stated therein within **fourteen (14) days** of the service thereof	70.18	9.82	80.00	78.07	10.93	89.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
2.5.14		**Development Levy** As per Council Resolution BCC 108/05, dated 28 June 2005, a development levy will be charged to all developers who apply for rezoning of farms into residential or business zones as well as the subdivision of existing properties into more than one property. This levy is calculated and charged per equivalent erf (i.e. 1000 litres of annual average daily demand)	6 448.25	902.75	7 351.00	7 157.89	1 002.11	8 160.00
2.6		General						
2.6.1		Should any consumer be dissatisfied with the meter readings and desire the meter tested, arrangements will be made for such test to be undertaken by the Director of Engineering Services, upon application being made on a form to be obtained from the Directorate of Engineering Services and upon a deposit with the Office of the Chief Financial Officer of a fee, which fee will be refunded in the event of the meter being found to be over recording more than 3% faster on such test. The consumer or his representative shall have the right to be present during the test and the result thereof shall be final and conclusive. If the meter is proved to be registering more than 3% fast on such test, the adjustment of the account will be on the same basis as in 2.6.2 hereof.	882.46	123.54	1 006.00	979.82	137.18	1 117.00
2.6.2		When a meter is found to be stopped and/or out of order, the quantity of water to be charged for during the period it was out of order shall be based on the average consumption of the previous three (3) months, or of nearest applicable uninterrupted three (3) month period previous or subsequent thereto, such period to be determined by the Director of Engineering Services. If the account, which shall be rendered either monthly or quarterly at the discretion of the Council, is not paid within a period of 21 days, the supply may be disconnected The charge for reconnection shall be	882.46	123.54	1 006.00	979.82	137.18	1 117.00
2.6.3		Consumers' meters will be read as far as possible at intervals not exceeding three (3) calendar months, provided that the Council may in it's discretion cause some meters to be read monthly. In assessing the charges due in respect of any scale of the Water Tariff, the nominal monthly consumption will be used and no allowance will be made should the intervals between the successive readings of the meter differ from three (3) calendar months in the case of quarterly readings or one (1) calendar month in the case of monthly readings by five (5) or fewer days. Should the interval between successive readings exceed this tolerance, the actual average monthly consumption and the actual period will be used to calculate the charge. Notwithstanding the reading of meters as provided for above, the Council reserves the right to render monthly accounts based on the average obtained over the past three (3) accounts or a lesser number if supply has not been taken for such a period, the						

Item	Code	Service	2014/15 Total Ricents Excl VAT	2014/15 VAT Ricents 14%	2014/15 Total Ricents VAT Incl.	2015/16 Total Ricents Excl VAT	2015/16 VAT Ricents 14%	2015/16 Total Ricents VAT Incl.
		adjustment in respect of the actual consumption to be made in a subsequent account.						
		A fee will be charged for reading a consumer's meter at the request of the consumer on a date other than that appointed by the Council.	882.46	123.54	1 006.00	979.62	137.18	1 117.00
2.6.4		**Consumers Outside Buffalo City Municpal Area Not Covered by a Special Agreement**						
a		All water supplied to consumers outside the Buffalo City Municipal area will be at the discretion of the Council						
b		Water will be supplied and charged at the standard prescribed tariff together with any surcharges or amendments which may be imposed from time to time, plus an outside of Municipal area charge of:	25.00%		25.00%	25.00%		25.00%
c		In the event of a special water rate being levied, consumers in this category will also be subject to provisions of such special rate and shall pay a levy equivalent to such water rate.						
d		The provision of water supply from the Municipal mains to a single property outside the municipal area will not be extended to any subsequent subdivision of such property; separate application will have to be submitted in respect of each such subdivision.						
e		The water supply will otherwise be provided in accordance with this Tariff and in terms of the Council's Water Services By-Law, promulgated under Provincial Gazette, Extraordinary Notice No. 2532 dated 22 March 2011, as ammended.						
2.6.5		**Multi-Unit Development**						
a		All Holiday Flats, time share units, bulk metered home owners associations, occupational units and institutions may be bulk metered. In such cases the consumption to these complexes will be measured by a bulk meter / meters and each unit charged an unmetered unit service charge.						
b		In circumstances where the use of individual meters in a multi-unit development is not practical, the Director of Engineering Services may upon receipt of a written application from the owners, submit a report to Council setting out the reason(s) for a waiver to be granted to this requirement of the Water Regulations.						
c		Existing multi-unit developments that do not have individual meters and would be expensive to convert, and any multi-unit developments granted a waiver in terms of (b) shall pay the normal monthly service charge multiplied by the assessment number of units as if the complex was individually metered. * Current regulations require all new multi - unit developments to be individually metered and existing multi-unit developments to be converted to individual metering.						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
3		**SEWERAGE TARIFFS**						
3.1		**East London, King Williams Town & Bhisho**						
3.1.1		**Schedule of Annual Charges (per annum)**						
		In respect of properties connected with Council's drainage scheme, the following charges for each calendar year shall become due and payable by the registered owner of the property on the same date upon which the Municipal Rates levied in terms of the Municipal Property Rates Act, No 6 of 2004, become due and payable						
3.1.2		**Residential**						
a		**Small**						
		Domestic						
		Erf 0 - 300 m^2	670 18	93 82	764.00	734.21	102 79	837.00
		Erf 301 - 400 m^2	1 064 91	149.09	1 214.00	1 165 79	163.21	1 329.00
b		**Medium**						
		Flats						
		Ordinary	1 864 04	260 96	2 125 00	2 041.23	285 77	2 327.00
		Complex	1 687 72	236.28	1 924.00	1 848.25	258 75	2 107.00
		Semi's	1 864 04	260.96	2 125.00	2 041.23	285 77	2 327.00
		Cluster Houses/Townhouses	2 307 02	322 98	2 630.00	2 526 32	353.68	2 880 00
		Domestic						
		Erf 401 - 800 m^2	2 771 93	388 07	3 160.00	3 035.09	424 91	3 460.00
c		**Large**						
		Domestic						
		Erf 801 - 1200 m^2	2 992 11	418.89	3 411 00	3 276 32	458 68	3 735.00
		Erf > 1200 m^2	3 260.53	456 47	3 717.00	3 570 18	499.82	4 070.00
d		Charitable Organisations, Churches, Halls and Sporting Bodies						
		(Sewerage Groups 14 04 34 24)	2 771 93	388 07	3 160 00	3 035 09	424 91	3 460 00
		Combined Charge						
e		Spoornet						
		(Sewerage Group 05) (Transnet)	2 160 53	302 47	2 463.00	2 365.79	331.21	2 697.00
		Pan Charge per pan						
f		Schools (Sewerage Group 37)						
		Area Charge plus	3 192 11	446.89	3 639.00	3 495.61	489 39	3 985.00
		Pan Charge per pan	753 51	105.49	859 00	825.44	115 56	941 00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
g		Accommodation Establishments (Sewerage Group 06)						
		Pan Charge per pan plus	1 418.42	198.58	1 617.00	1 553.51	217.49	1 771.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	56.14	7.86	64.00	61.40	8.60	70.00
h		Commercial (Sewerage Group 07)						
		Pan Charge per pan plus	1 954.39	273.61	2 228.00	2 140.35	299.65	2 440.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	157.89	22.11	180.00	172.81	24.19	197.00
i		Industrial - Dry (Sewerage Group 17)						
		Pan Charge per pan plus	2 277.19	318.81	2 596.00	2 493.86	349.14	2 843.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	207.02	28.98	236.00	226.32	31.68	258.00
j		Industrial - Wet (Sewerage Group 27)						
		Pan Charge per pan plus	2 130.70	298.30	2 429.00	2 333.33	326.67	2 660.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	236.84	33.16	270.00	259.65	36.35	296.00
k		Municipal (Sewerage Group 47)						
		Pan Charge per pan plus	2 160.53	302.47	2 463.00	2 365.79	331.21	2 697.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	60.53	8.47	69.00	66.67	9.33	76.00
l		Creches (Sewerage Group 08)						
		Pan Charge per pan plus	739.47	103.53	843.00	809.65	113.35	923.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	45.61	6.39	52.00	50.00	7.00	57.00
m		Hotels (Sewerage Group 09)						
		Pan Charge per pan plus	1 122.81	157.19	1 280.00	1 229.82	172.18	1 402.00
		an annual area charge determined as follows						
		The square root of the area of the land in square metres x a rate of	85.09	11.91	97.00	92.98	13.02	106.00
n		Availability Charge (Sewerage Group 10)						
		Area Charge	1 262.28	176.72	1 439.00	1 382.46	193.54	1 576.00
o		Conservancy Tanks (Sewerage Group 11)						
		Combined Charge	2 771.93	388.07	3 160.00	3 035.09	424.91	3 460.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
p		**Urinals - King William's Town**						
p.1		First 500mm	893.86	125.14	1 019.00	978.95	137.05	1 116.00
p.2		Each Additional 250mm	445.61	62.39	508.00	487.72	68.28	556.00
q		**Urinals - Breidbach**						
q.1		First 500mm	893.86	125.14	1 019.00	978.95	137.05	1 116.00
q.2		Each Additional 250mm	445.61	62.39	508.00	487.72	68.28	556.00
r		**Urinals - Bisho**						
		600mm or part therof	1 308.77	183.23	1 492.00	1 433.33	200.67	1 634.00
3.1.3		**Conveniences During Building Operation (each)**						
		For temporary toilets installed on building sites, the charge per pan for the **full duration** of the building activity (Section **3.1.2** not applicable)	1 590.35	222.65	1 813.00	1 741.23	243.77	1 985.00
3.1.4		**General**						
		In respect of properties and/or additional facilities which are connected to the Council's Drainage Scheme, the charge shall be the pro-rata amount of the annual charge levied according to the month during which it was connected.						
		Such charges shall become due and payable within **thirty (30) days** from and after the date upon which the property and/or additional facility was connected to the Council's drainage system.						
		In respect of connections for special conveniences during building operations, the charge shall be payable in advance.						
		When the service to a property is disconnected, either wholly or partially, with the prior written consent of the Director of Engineering Services, the charges shall be adjusted proportionately on a monthly pro-rata basis and will exclude the month during which the disconnection is made.						
		This will only apply provided the application is made in writing by the owner of the property within three (3) months from the date on which the service was disconnected.						
		In regard to the availability charges levied in terms of **3.1.2.n**, where the service is connected to a property, the annual charge levied shall be adjusted proportionately on a monthly pro-rata basis, provided the application is made in writing within **three (3) months** from the date on which the service was connected.						
		If the abovementioned requirements are not complied with by the owner of the property concerned, adjustments of the charges will only be made with effect from **1st July** of the year following the date on which written notification is given by the owner or his agent.						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
		In the case where any charge made or levied shall remain unpaid after three months from the date fixed by the Council for the payment thereof, interest thereon shall be charged and recovered by the Council for each month for which such charges remain unpaid. For the purpose of calculating interest, part of a month shall be deemed to be a month. The registered owner of the property in respect of which sewerage and sanitation charges are payable shall be primarily liable for payment thereof. If on the expiration of three (3) months from the date on which the charge became due and payable, the owner primarily liable has failed to pay such charge a demand in writing shall be served on him requiring him to pay the amount stated therein within fourteen days of the service thereof. Should the owner primarily liable for the charge fail to comply with the said demand, any person who at any time during the year for which the charge is due: (a) Becomes the subsequent owner of the property concerned shall be liable for the charge for that year. (b) Is or was the occupier of the property concerned, shall be liable for such charge for that year up to the amount of the rent due by him but not yet paid. The persons referred to in (a) and (b) above shall be liable for the charge jointly and severally with each other and with the owner primarily liable. No legal proceedings shall be instituted against any person referred to in (a) and (b) above for the recovery of the charge unless and until a demand in writing shall have been served upon him requiring him to pay the amount stated therein within fourteen days of the service thereof.						
3.2		**Sewer Connection**						
3.2.1		**Initial Connection** In respect of properties connected to Council's drainage system for the first time, the charge due and payable by the property owner or his agent shall be: -						
		100mm sewer connection	2 449.12	342.88	2 792.00	2 681.58	375.42	3 057.00
		150mm sewer connection	3 059.65	428.35	3 488.00	3 350.00	469.00	3 819.00
3.2.2		**Additional Connection(s)** The "full cost" of constructing additional sewer connections(s) will be payable by the property owner or his appointed agent. Where such additional connection(s) obviates the use of the initial existing connection(s), the fee for the initial connection(s) as per item **3.2.1** shall be payable over and above the cost of construction the additional connection(s).						
3.3		**Charge for Visit of Serviceman** The Owner/Occupier requesting an inspection by a serviceman for sewerage problems or other appropriate circumstances where the Municipality is not responsible for maintaining the facility shall pay a fee including VAT	613.16	85.84	699.00	671.05	93.95	765.00

Item	Code	Service	2014/15 Total R/cenki Excl VAT	2014/15 VAT R/cenki 14%	2014/15 Total R/cenki VAT Incl.	2015/16 Total R/cenki Excl VAT	2015/16 VAT R/cenki 14%	2015/16 Total R/cenki VAT Incl.
3.4		**Charge for Clearing Blocked Combined Drains**						
3.4.1		That the charge for clearing a blockage per property served by the combined drain, shared equally between the relevant owners / occupiers including VAT	613.16	85.84	699.00	671.05	93.95	765.00
3.4.2		That the minimum amount be charged in cases where the clearance is found to be on the section of drain serving only one property; payable by the owner / occupier of that property including VAT	1 224.56	171.44	1 396.00	1 341.23	187.77	1 529.00
3.5		**Trade Effluent**						
3.5.1		**General Formula**						
		K1 + K2A + K3B + K4C + K5D						
		where						
		K1 =	519.51	72.73	592.25	568.87	79.64	648.51
		K2 =	13.17	1.84	15.02	14.42	2.02	16.44
		K3 =	13.17	1.84	15.02	14.42	2.02	16.44
		K4 =	10.26	1.44	11.69	11.23	1.57	12.80
		K5 =	10.26	1.44	11.69	11.23	1.57	12.80
		A = Volume in millilitres of settleable matter in one litre of trade effluent up to a volume of 10 ml						
		B = Volume in millilitres of settleable matter in one litre of trade effluent in excess of 10 ml						
		C = Permanganate Value (settled trade effluent) in excess of 30mg/l up to 1000 mg/l						
		D = Permanganate Value (settled trade effluent) in excess of 1000 mg/l						
		Note firstly that terms K2A and K3B are only applied if the service includes settlement of any other form of sludge treatment, while the terms K4C and K5D are applied if the service includes treatment of the aqueous phase. Secondly, in the absence of analytical results to determine SS and PV, or where SS and PV are found to be less than 10 and 50 respectively, these shall be deemed to be 10 and 50 respectively						
		VAT is added on the final calculated charge						
3.5.2		**Minimum Charge**						
		Applicable where effluent volume is less than 50kl/month and where settlement matter does not exceed 10ml per litre and where Permanganate Value does not exceed 50 mg/l, and all areas except those served by the Hood Point Marine discharge						
		The monthly minimum charge = K6 (K1 + K2A + K4C) where						
		K6 =	114.15	15.98	130.13	114.15	15.98	130.13
		A = 10						
		C = (50-30)						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
3.5.3		**Sea Discharge (Applicable in areas draining to Hood Point Marine discharge)** Charge = K1 x K7 where K7 =	3.96	0.55	4.51	3.96	0.55	4.51
		Monthly minimum charge in cents = K7 x K6 x K1 (applicable where effluent volume is less than 50kl/month)						
3.5.4		**Various Categories**						
a		**Category number: 1** Location: Areas served by the Hood Point Marine discharge Service: Conveyance, screening and disposal Effluent volume: Less than 50 kl per month Effluent tariff (c/Kl) Minimum charge payable: [K7 x K6 x K1] = Rand per Month	2 347.85	328.70	2 676.55	2 570.91	359.93	2 930.84
b		**Category number: 2** Location: All areas except those served by the Hood Point Marine discharge Service: Conveyance, full treatment and disposal Effluent volume: Less than 50 kl per month Effluent tariff (c/Kl) Minimum charge payable: [K6 (K1 + K2A + K4C)] = Rand per Month	977.55	136.86	1 114.41	1 070.42	149.86	1 220.28
c		**Category number: 3** Location: Areas served by the Hood Point Marine discharge Service: Conveyance, screening and disposal Effluent volume: In Excess of 50 kl/month, and assessed as a % of metered consumption Effluent tariff: [K7 x K1] = Cent per Kilolitre Minimum charge payable per month : Charge = volume x tariff, = R	2 056.82	287.96	2 344.78	2 252.22	315.31	2 567.53
d		**Category number: 4** Location: All areas except those served by the Hood Point Marine discharge Service: Conveyance, full treatment and disposal Effluent volume: In Excess of 50 kl/month, and assessed as a % of metered water consumption. Effluent tariff: [K1 + K2A + K4C] = Cent per Kilolitre Charge = volume x tariff, subject to monthly minimum charge of = R	856.38	119.89	976.27	937.73	131.28	1 069.02

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
e		**Category number: 5** Location: Miscellaneous Service: Miscellaneous Effluent volume: In excess of 50 kl/month, and determined by direct effluent measurement, or by other means						
		West Bank Effluent tariff: [K7 x K1] = Cent per Kilolitre	2 056.82	287.96	2 344.78	2 252.22	315.31	2 567.53
		East Bank Effluent tariff: [K1 + K2A + K4C] = Cent per Kilolitre	856.38	119.89	976.27	937.73	131.28	1 069.02
3.5.5		**Surcharge** The repeated discharge to Council's sewers of non-complying effluent can result in a surcharge being applied to the total trade effluent charge for any particular month (Refer to Trade Effluent By-Laws). **NOTE: In terms of the By-Laws, the constants determining the tariffs are set by Council every six (6) months.** **All tariffs exclude VAT except where shown**						
3.6		**Removal of Conservancy Tank Effluent, Septic Tank Effluent and Pit Latrine**						
3.6.1		In respect of any property with improvements which is not connected to the sewerage supply of the Council to which a Conservancy Tank Service is rendered, a charge per annum for each financial year shall become due and payable by the Registered Owner of such property on date upon which Municipal Rates are levied in terms of the Municipal Property Rates Act, No. 6 of 2004, the above charges being for a clearance of at least once every 3 weeks per 4.5 kl load or part thereof	3 220.18	450.82	3 671.00	3 526.32	493.68	4 020.00
3.6.2		For additional services over and above service rendered in paragraph 3.6.1, the charge shall be per tickets, purchased and paid for prior to the tank being cleared	266.67	37.33	304.00	292.11	40.89	333.00
		For the removal of effluent from pit latrines the tariff shall be per latrine per clearance The charge shall be paid prior to the pit latrine being cleared	266.67	37.33	304.00	292.11	40.89	333.00
3.6.3		Emergency Services rendered after hours / Week-ends shall be a double charge per 4.5 kl load or part thereof	407.89	57.11	465.00	446.49	62.51	509.00
3.6.4		Outside the Municipal area the charge shall be per 4.5 kl load or part thereof, plus a transport charge per km measured from the Council's Chiselhurst Depot to the premises concerned and back	407.89	57.11	465.00	446.49	62.51	509.00
3.6.5		For the removal of the contents of malfunctioning septic tanks the charge shall be per 4.5 kl load or part thereof	528.07	73.93	602.00	578.07	80.93	659.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
3.6.6		For the removal of non-toxic industrial effluent or sludge the charge shall be per 4 5 kl load or part thereof	840.35	117.65	958.00	920.18	128.82	1 049.00
3.6.7		In the case of any charge made or levied in terms of 3.6.1 above which remain unpaid after three months from the date fixed by the Council for the payment thereof, interest thereon shall be charged and recovered by Council at the standard rate of interest as provided for in terms of Sect 64(2)(g) of the Municipal Finance Management Act (Act 56 of 2003) for each month which such charges remains unpaid For the purpose of calculating interest, part of a month shall be deemed to be a month.						
3.6.8		For Municipal areas exempt from Item 3.6.1, as determined by Council, the charges shall be as follows Within the Municipal area the charge shall be per 4 5 kl load or part thereof.	266.67	37.33	304.00	292.11	40.89	333.00
3.6.9		Parts per clearance per toilet. Clearances twice per week. Tickets purchased in advance						
3.7		**Rates for stormwater connections and gutter crossings**						
3.7.1		**Stormwater Connection - Domestic**						
		100 mm Per Meter	372.81	52.19	425.00	407.89	57.11	465.00
		150 mm Per Meter	437.72	61.28	499.00	478.95	67.05	546.00
3.7.2		**Gutter Crossings and Dished Entrances - Standard Type**						
		(Rate per slab 457 mm wide)						
		1 slab	528.07	73.93	602.00	578.07	80.93	659.00
		2 slabs	979.82	137.18	1 117.00	1 072.81	150.19	1 223.00
		3 slabs	1 369.30	191.70	1 561.00	1 499.12	209.88	1 709.00
		4 slabs	1 761.40	246.60	2 008.00	1 928.95	270.05	2 199.00
		5 slabs	2 092.11	292.89	2 385.00	2 291.23	320.77	2 612.00
		6 slabs	2 408.77	337.23	2 746.00	2 637.72	369.28	3 007.00
		7 slabs	2 695.61	377.39	3 073.00	2 951.75	413.25	3 365.00
		8 slabs	2 965.79	415.21	3 381.00	3 247.37	454.63	3 702.00
		9 slabs	3 176.32	444.68	3 621.00	3 478.07	486.93	3 965.00
		10 slabs	3 414.91	478.09	3 893.00	3 739.47	523.53	4 263.00
		11 slabs	3 642.98	510.02	4 153.00	3 989.47	558.53	4 548.00
		12 slabs	3 836.84	537.16	4 374.00	4 201.75	588.25	4 790.00
		13 slabs	4 061.40	568.60	4 630.00	4 447.37	622.63	5 070.00
		14 slabs	4 274.56	598.44	4 873.00	4 680.70	655.30	5 336.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
3.7.3		**Gutter Crossings and Dished Entrances - Heavy Duty**						
		1 slab	603.51	84.49	688.00	660.53	92.47	753.00
		2 slabs	1 081.58	151.42	1 233.00	1 184.21	165.79	1 350.00
		3 slabs	1 550.00	217.00	1 767.00	1 697.37	237.63	1 935.00
		4 slabs	2 017.54	282.46	2 300.00	2 209.65	309.35	2 519.00
		5 slabs	2 469.30	345.70	2 815.00	2 703.51	378.49	3 082.00
		6 slabs	2 846.49	398.51	3 245.00	3 116.67	436.33	3 553.00
		7 slabs	3 206.14	448.86	3 655.00	3 510.53	491.47	4 002.00
		8 slabs	3 595.61	503.39	4 099.00	3 936.84	551.16	4 488.00
		9 slabs	3 928.95	550.05	4 479.00	4 302.63	602.37	4 905.00
		10 slabs	4 246.49	594.51	4 841.00	4 650.00	651.00	5 301.00
		11 slabs	4 560.53	638.47	5 199.00	4 993.86	699.14	5 693.00
		12 slabs	4 878.07	682.93	5 561.00	5 341.23	747.77	6 089.00
		13 slabs	5 164.04	722.96	5 887.00	5 654.39	791.61	6 446.00
		14 slabs	5 433.33	760.67	6 194.00	5 949.12	832.88	6 782.00
3.8		**Ginsberg, R293 Townships (Dimbaza, Zwelitsha, Phakamisa & Ilitha)**						
		Annual Sewerage Charges						
		Domestic	1 430.70	200.30	1 631.00	1 566.67	219.33	1 786.00
		Urinals of 0.60 m or part thereof	1 313.16	183.84	1 497.00	1 437.72	201.28	1 639.00
		Commercial	2 438.60	341.40	2 780.00	2 670.18	373.82	3 044.00
		Bucket system	660.53	92.47	753.00	723.68	101.32	825.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
4		**ASSESSMENT RATES**						
4.1		**Municipal Property Rates** In terms of Chapter 2, Section 2(3) of the Local Government: Municipal Property Rates Act (Act No. 6 of 2004), the Municipality exercises the power to levy a rate on property subject to Section 229 and any other applicable provisions of the Constitution, the Property Rates Act and the Rates Policy as adopted by Council. In accordance the Property Rates Act, the following rates are hereby assessed and levied on all rateable properties for the year 1 July 2015 to 30 June 2016 **All Rates calculated as a Rate in the Rand on Improved Market Value**						
4.1.1		**Residential Property (incl farms or smallholdings used for Residential purposes)**	0.008225	-	0.008225	0.009039	-	0.009039
4.1.2		**Agricultural Property (used for Bona-fide Farming)**	0.002056	-	0.002056	0.002260	-	0.002260
4.1.3		**Public Service Infrastructure**	0.002056	-	0.002056	0.002260	-	0.002260
4.1.4		**Business, Commercial & Industrial Property (incl farms used for Game- / Eco Tourism)**	0.020562	-	0.020562	0.022597	-	0.022597
4.1.5		**Educational Institutions**	0.005757	-	0.005757	0.006327	-	0.006327
4.1.6		**Municipal Owned Property (Rateable, used for Residential purposes)**	0.008225	-	0.008225	0.009039	-	0.009039
4.1.7		**Municipal Owned Property (Rateable, used for Non-Residential purposes)**	0.020562	-	0.020562	0.022597	-	0.022597
4.1.8		**Municipal Owned Property (Non - Rateable)**		-			-	
4.1.9		**Mining / Quarry Property**	0.020562	-	0.020562	0.022597	-	0.022597
4.1.10		**Government Property (Correctional Services Facilities, Offices & Hospitals)**	0.020562	-	0.020562	0.022597	-	0.022597
4.1.11		**Vacant Land**	0.024674	-	0.024674	0.027117	-	0.027117
4.1.12		**Religious or Places of Worship and Special Property (e.g. Museums, Libraries)**		-			-	
4.1.13		**Public Benefit Organisations**	0.002056	-	0.002056	0.002260	-	0.002260
4.1.14		**Rural Communal Land**		-			-	

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
4.2		**Uniform Flat Rates**						
4.2.1		**Uniform Tariffs for Houses Not Built Under Private Development - Mdantsane**						
		Water 17 Kl (Indigent)	141 23	19 77	161.00	157 02	21 98	179 00
		Water 17 Kl (Non-Indigent)	197 37	27 63	225.00	219 30	30 70	250.00
		Refuse	156 14	21 86	178.00	171 05	23 95	195.00
		Sewerage	89.47	12 53	102 00	98 25	13 75	112.00
		Contribution towards rates will be used if actual rates are not available.	22 00	-	22 00	24 00	-	24.00
		Fire Levy	33 33	4.67	38.00	36.84	5 16	42.00
4.2.2		**Uniform Tariffs for Houses Built Under Private Development - Mdantsane**						
		Water 17 Kl (Indigent)	141.23	19 77	161.00	157 02	21 98	179.00
		Water 17 Kl (Non Indigent)	197 37	27 63	225.00	219.30	30 70	250.00
		Refuse	156 14	21 86	178.00	171 05	23 95	195 00
		Sewerage	89.47	12 53	102.00	98.25	13 75	112.00
		Contribution towards rates will be used if actual rates are not available	41 00	-	41 00	45.00		45.00
		Fire Levy	33.33	4 67	38.00	36.84	5 16	42.00
4.2.3		**Uniform Tariffs for Houses With Inside Toilets - Gompo**						
		Water 17 Kl (Indigent)	141 23	19 77	161 00	157 02	21 98	179.00
		Water 17 Kl (Non-Indigent)	197 37	27.63	225.00	219 30	30 70	250.00
		Refuse	156 14	21 86	178.00	171.05	23.95	195.00
		Sewerage	89.47	12 53	102.00	98.25	13 75	112 00
		Contribution towards rates will be used if actual rates are not available.	37 00	-	37 00	41 00		41.00
		Fire Levy	33 33	4 67	38.00	36 84	5 16	42.00
4.2.4		**Uniform Tariffs for Houses With Outside Toilets - Gompo**						
		Water 17 Kl (Indigent)	141 23	19 77	161 00	157 02	21 98	179 00
		Water 17 Kl (Non-Indigent)	197 37	27 63	225 00	219 30	30 70	250.00
		Refuse	156 14	21.86	178 00	171 05	23 95	195 00
		Sewerage	89.47	12.53	102.00	98 25	13 75	112.00
		Contribution towards rates will be used if actual rates are not available	15.00	-	15 00	16.00		16.00
		Fire Levy	33 33	4.67	38 00	36 84	5 16	42 00
4.2.5		**Cambridge**						
		Water 17 Kl (Indigent)	141 23	19 77	161 00	157 02	21 98	179.00
		Water 17 Kl (Non-Indigent)	197.37	27.63	225.00	219 30	30 70	250.00
		Refuse	156 14	21 86	178 00	171 05	23 95	195.00
		Sewerage	89.47	12 53	102.00	98.25	13 75	112.00
		Contribution towards rates will be used if actual rates are not available	12.00	-	12.00	13.00		13.00
		Fire Levy	33 33	4.67	38.00	36 84	5 16	42 00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
4.2.6		**Braelyn**						
		Water 17 Kl (Indigent)	141.23	19.77	161.00	157.02	21.98	179.00
		Water 17 Kl (Non-Indigent)	197.37	27.63	225.00	219.30	30.70	250.00
		Refuse	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	89.47	12.53	102.00	98.25	13.75	112.00
		Contribution towards rates will be used if actual rates are not available	15.00	-	15.00	16.00	-	16.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00
4.2.7		**Tariff1 for One Roomed Houses - Gompo: C-Section**						
		Water 6 Kl (Indigent)	-	-	-	-	-	-
		Water 6 Kl (Non-Indigent)	60.53	8.47	69.00	67.54	9.46	77.00
		Refuse (Container Services)	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	56.14	7.86	64.00	61.40	8.60	70.00
		Contribution towards rates will be used if actual rates are not available	8.00	-	8.00	9.00	-	9.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00
4.2.8		**Tariff2 for Two Roomed Houses - Gompo: C-Section**						
		Water 6 Kl (Indigent)	-	-	-	-	-	-
		Water 6 Kl (Non-Indigent)	60.53	8.47	69.00	67.54	9.46	77.00
		Refuse (Container Services)	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	56.14	7.86	64.00	61.40	8.60	70.00
		Contribution towards rates will be used if actual rates are not available	12.00	-	12.00	13.00	-	13.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00
4.2.9		**Berlin Pit Latrins or Chemical Toilets**						
		Water 6 Kl (Indigent)	-	-	-	-	-	-
		Water 6 Kl (Non-Indigent)	60.53	8.47	69.00	67.54	9.46	77.00
		Refuse	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	56.14	7.86	64.00	61.40	8.60	70.00
		Contribution towards rates will be used if actual rates are not available	8.00	-	8.00	9.00	-	9.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00
4.2.10		**Mzamomhle Waterborne Sewerage**						
		Water 6 Kl (Indigent)	-	-	-	-	-	-
		Water 6 Kl (Non-Indigent)	60.53	8.47	69.00	67.54	9.46	77.00
		Refuse	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	56.14	7.86	64.00	61.40	8.60	70.00
		Contribution towards rates will be used if actual rates are not available.	8.00	-	8.00	9.00	-	9.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
4.2.11		**Amalinda Forest Township**						
		Water 17 Kl (Indigent)	141.23	19.77	161.00	157.02	21.98	179.00
		Water 17 Kl (Non-Indigent)	197.37	27.63	225.00	219.30	30.70	250.00
		Refuse	156.14	21.86	178.00	171.05	23.95	195.00
		Sewerage	89.47	12.53	102.00	98.25	13.75	112.00
		Contribution towards rates will be used if actual rates are not available.	15.00	-	15.00	16.00		16.00
		Fire Levy	33.33	4.67	38.00	36.84	5.16	42.00
		Areas that have not been electrified will receive an account that excludes the abovementioned electricity charge						
		75% Reduction allowed in respect of rates						
4.3		**Rates Other**						
4.3.1		**Refuse Basic per quarter**						
		Kaysers Beach	76.32	10.68	87.00	83.33	11.67	95.00
		Kidds Beach	113.16	15.84	129.00	123.68	17.32	141.00
		Winterstrand	113.16	15.84	129.00	123.68	17.32	141.00
		Sunnse On Sea	124.56	17.44	142.00	135.96	19.04	155.00
		Kwelera	80.70	11.30	92.00	88.60	12.40	101.00
4.3.2		**Notification of Outcomes and Furnishing of Reasons**						
		Application Fee	141.23	19.77	161.00	154.39	21.61	176.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
5		**AQUARIUM**						
a		Adults (persons over 18)	28.95	4.05	33.00	31.58	4.42	36.00
b		Children under 3 years	-	-	-	-	-	-
c		Children 3-18 years	17.54	2.46	20.00	19.30	2.70	22.00
d		Pensioners (60yrs and over)	17.54	2.46	20.00	19.30	2.70	22.00
e		Scholars in groups Accompanied by teachers						
		25 Scholars - Teacher 0						
		- Scholars	11.40	1.60	13.00	12.28	1.72	14.00
		- Teachers	28.95	4.05	33.00	31.58	4.42	36.00
f		Discount during periods when not all exhibits are available (e.g. Maintenance)	50%		50%	50%		50%
g		Special Needs School Groups (By Application Only)	-	-	-	-	-	-
h		Special Needs or Underprivileged Groups (By Application Only)	-	-	-	-	-	-
i		Fela members	-	-	-	-	-	-
j		Sale of filtered sea water (basic charge per request)	26.32	3.68	30.00	28.95	4.05	33.00
k		1 x open day per annum	-	-	-	-	-	-
l		Council functions	-	-	-	-	-	-
6		**ZOO**						
a		Adults (persons over 18)	28.95	4.05	33.00	31.58	4.42	36.00
b		Children under 3 years	-	-	-	-	-	-
c		Children 3 to 18 years	17.54	2.46	20.00	19.30	2.70	22.00
d		Pensioners (60yrs and over)	17.54	2.46	20.00	19.30	2.70	22.00
e		Scholars in groups Accompanied by teachers						
		25 Scholars - Teacher 0						
		- Scholars	11.40	1.60	13.00	12.28	1.72	14.00
		- Teachers	28.95	4.05	33.00	31.58	4.42	36.00
f		Felzoo members	-	-	-	-	-	-
g		Pony rides						
h		Special Needs School Groups (By Application Only)	-	-	-	-	-	-
i		Special Needs or Underprivileged Groups (By Application Only)	-	-	-	-	-	-

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
7		**BOAT REGISTRATION**						
7.1		**Other inland waters (incl. rivers, dams and estuaries up to ebbenflow) within the Buffalo City boundaries, where boating is allowed**						
		Registration per year plus	74 56	10.44	85.00	81 58	11 42	93.00
		Power-driven boats premium -						
		- Up to and including 29 83 kW(40 hp), per kW	9.65	1 35	11.00	10.53	1 47	12 00
		- 30 58 kW(41 - 200 hp) and above , per kW	21 93	3 07	25 00	23 68	3 32	27 00
		Commercial undertakings hiring boats - Special Council Consent required						
		Clubs, Sea Scouts and similar - Special Council Consent required						
7.2		**Casual boat registration, including Temporarily Registered boats**						
		Power-driven boats, per fortnight or part thereof	121 93	17 07	139.00	134 21	18.79	153 00
		A proportional tariff for annual registration will apply where a permit is required after the start of the financial year						
7.3		**Launch fees (Orient Beach)**						
		Launch Fee per year	170 18	23 82	194 00	186.84	26 16	213.00
		Temporary Launch Registration, per fortnight or part thereof	52 63	7.37	60.00	57 89	8 11	66 00
8		**NATURE RESERVES**						
		Public access to nature reserves						
		Nahoon Estuary						
		Entrance fees						
		Adults and Children over 13	-	-	-	-	-	-
		Children under 13	-	-	-	-	-	-
		Infants and Children under 13	-	-	-	-	-	-
		Pensioners (60yrs and over)	-	-	-	-	-	-
		School Groups (Pre- Booked via Aquarium or WESSA)						
		Part Daily use of Beach and/or River and/or Coastal Area and/or Reserve						
		An event that does not require the hire of an area for more than half a day such as Weddings or Educational programmes (excludes sporting events) - Charged as a percentage Hire of Orient Beach fees	10%		10%	10%		10%

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
9		**BEACHES**						
9.1		**Entrance Fees (Orient Beach & Water World)**						
9.1.1		**Daily Tariff**						
		Summer Season 1 Nov to 30 April						
		Adults	15.79	2.21	18.00	17.54	2.46	20.00
		Children	11.40	1.60	13.00	12.28	1.72	14.00
		Peak Season 15 Dec to 15 Jan						
		Adults	19.30	2.70	22.00	21.05	2.95	24.00
		Children	13.16	1.84	15.00	14.04	1.96	16.00
		Winter Season 1 May to 30 Oct						
		Adults	12.28	1.72	14.00	13.16	1.84	15.00
		Children	10.53	1.47	12.00	11.40	1.60	13.00
		Discount during periods when not all amenities are available (e.g. Maintenance)	50%		50%	50%		50%
9.1.2		**Weekly Tariff**						
		Summer Season 1 Nov to 30 April						
		Adults	57.02	7.98	65.00	62.28	8.72	71.00
		Children	43.86	6.14	50.00	48.25	6.75	55.00
		Peak Season 15 Dec to 15 Jan						
		Adults	82.46	11.54	94.00	90.35	12.65	103.00
		Children	57.02	7.98	65.00	62.28	8.72	71.00
		Winter Season 1 May to 30 Oct (Not Applicable)						
		Adults						
		Children						
9.1.3		**Seasonal Tariff**						
		Summer Season 1 Nov to 30 April						
		Adults	131.58	18.42	150.00	144.74	20.26	165.00
		Children	100.00	14.00	114.00	109.65	15.35	125.00
		Peak Season 15 Dec to 15 Jan (Not Applicable)						
		Adults						
		Children						
		Winter Season 1 May to 30 Oct						
		Adults	111.40	15.60	127.00	122.81	17.19	140.00
		Children	66.67	9.33	76.00	73.68	10.32	84.00
9.1.4		**Annual Tariff**						
		Pensioners (60 years and over) for the whole year						
		Adults	284.21	39.79	324.00	312.28	43.72	356.00
		Children	153.51	21.49	175.00	168.42	23.58	192.00
		Council Functions						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
9.2		**School Groups**						
		(Groups of children accompanied by teachers) Summer and Winter during School term only						
		Teachers accompaning the children are 0						
		Fees Per child Summer Season	8.77	1.23	10.00	9.65	1.35	11.00
		Fees Per child Winter Season	8.77	1.23	10.00	9.65	1.35	11.00
		Special Needs School Groups (By Application Only)	-	-	-	-	-	-
9.3		**Block Bookings**						
		Block Bookings are not done during peak season						
		(Where the whole complex is booked subject to Director's approval)						
9.4		**Fund raising events per day.** (Orient Beach)	4 075.44	570.56	4 646.00	4 478.95	627.05	5 106.00
		Non Fund raising events per day (Orient Beach)	2 328.07	325.93	2 654.00	2 558.77	358.23	2 917.00
		Any Other Public Beach - (except Orient Beach and Water World Complex) - 2015/16			-	1 971.05	275.95	2 247.00
		Charged as a percentage of Orient Beach fees - 2014/15	70%		70%	-		
		Litter and Damage deposit (R60.00 non-refundable)	1 748.25	244.75	1 993.00	1 921.05	268.95	2 190.00
		Part Daily use of Beach and/or River and/or Coastal Area and/or Reserve						
		An event that does not require the hire of an area for more than half a day such as Weddings or Educational programmes (excludes sporting events) - Charged as a percentage of Orient Beach fees 2014/15	10%		10%			-
		2015/16				448.25	62.75	511.00
9.5		**Special Events**						
		(Events where the beach will be used for a short period only,						
		I.e. Sunrise church service or Public Open Day Subject to Director's approval)						
9.6		**Power And Inflatable Craft Events**						
		Litter and Damage deposit (R60.00 non-refundable)	1 748.25	244.75	1 993.00	1 921.05	268.95	2 190.00
		Hire Fee per event	2 910.53	407.47	3 318.00	3 198.25	447.75	3 646.00
9.7		**National and International Boating Events**						
		Hire Fee per event	2 910.53	407.47	3 318.00	3 198.25	447.75	3 646.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
10		**SWIMMING POOLS**						
10.1		**Joan Harrison Pool**						
10.1.1		**Daily Tariff**						
		Entrance						
		Adults	9.65	1.35	11.00	10.53	1.47	12.00
		Children and Pensioners	7.89	1.11	9.00	8.77	1.23	10.00
10.1.2		**Monthly Tariff**						
		Entrance						
		Adults	158.77	22.23	181.00	174.56	24.44	199.00
		Children and Pensioners	77.19	10.81	88.00	85.09	11.91	97.00
10.1.3		**Seasonal Tariff**						
		Entrance						
		Adults	316.67	44.33	361.00	348.25	48.75	397.00
		Children and Pensioners	158.77	22.23	181.00	174.56	24.44	199.00
		Spectators	158.77	22.23	181.00	174.56	24.44	199.00
		Half Season (Adults)	158.77	22.23	181.00	173.68	24.32	198.00
		Half Season (Children and Pensioners)	78.95	11.05	90.00	86.84	12.16	99.00
		Half Season (Spectators)	78.95	11.05	90.00	86.84	12.16	99.00
10.1.4		**School Groups (Disadvantaged Community) during school days (holidays excluded)**						
		Daily Tariff						
		1-50 pupils	316.67	44.33	361.00	348.25	48.75	397.00
		51 - 100 pupils	475.44	66.56	542.00	522.81	73.19	596.00
		101 - 200 pupils	725.44	101.56	827.00	797.37	111.63	909.00
		201 -500 pupils	1 220.18	170.82	1 391.00	1 341.23	187.77	1 529.00
		501 and more pupils	1 445.61	202.39	1 648.00	1 588.60	222.40	1 811.00
		Teachers in charge						
		Litter & damage deposit - Groups larger than 100 (10% of Deposit is non-refundable)	783.00	-	783.00	861.00	-	861.00
10.1.5		**Galas - Pool**						
a		**Schools / Clubs / Associations (Per Hour)**						
		Main Pool - Weekdays for Morning or Afternoon	206.14	28.86	235.00	226.32	31.68	258.00
		Weekdays for Evenings (Including Floodlights)	269.30	37.70	307.00	295.61	41.39	337.00
		Saturdays for Morning or Afternoon	316.67	44.33	361.00	348.25	48.75	397.00
		Saturdays for Evenings (Including Floodlights)	393.86	55.14	449.00	432.46	60.54	493.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b		**Diving Well and Water Polo Pools (Per Hour)**						
		Training - **Per Pool or Diving Well**	52 63	7 37	60.00	57.89	8 11	66.00
		Events:-						
		Main Pool - Weekdays for Morning or Afternoon (per pool)	110.53	15.47	126.00	121 05	16 95	138.00
		Weekdays for Evenings (Floodlights included) (per pool)	158 77	22 23	181.00	174.56	24.44	199.00
		Saturdays for Morning or Afternoon (per pool)	192 11	26 89	219.00	211 40	29.60	241.00
		Saturdays for Evenings (Floodlights included) (per pool)	235.09	32 91	268.00	258 77	36.23	295.00
		Fundraising Events	-	-	-	70 18	9 82	80.00
		NOTE: Pools are booked as individual units.						
		When a specific pool is booked the rest of the complex will be available to the public.						
		Anybody wanting the exclusive use of the facility will have to book all the pools						
		simultaneously. No galas allowed on Sundays and Public Holidays.						
c		**Other**						
c.1		Electricity surcharge per event for the use of electricity by vendors using large fridges,						
		coffee making machines, deep fryers and / or cookers (per day / night)	264.04	36 96	301.00	290 35	40.65	331.00
c.2		Tedallen Room (per day / night)	52 63	7 37	60.00	57 89	8 11	66.00
c 3		Use of space for erection of tents during events (per day / night) - Big tents	105.26	14 74	120.00	115 79	16 21	132 00
		- Small tents	52 63	7 37	60.00	57 89	8 11	66.00
c.4		Private Vendors, for site and electricity	110 53	15.47	126.00	121 05	16 95	138 00
10.1 6		**Interprovincial, National or International Events**						
		Total Cost of Tariff Fees						
10.1.7		**Training / Coaching**						
a		**Trainer / Coach**						
		Season ticket	316 67	44 33	361.00	348 25	48.75	397 00
		Per lane (maximum of 2 lanes without a lane rope per coach) (per day)	48.25	6 75	55.00	52.63	7 37	60.00
		(Lane rope to be used only at the discretion of the Supervisor)						
b		**Waterpolo**						
		Each member must be in possession of a valid season ticket or pay the daily entrance fee. **(Schools and Seniors)**	Season		Season	Season		Season
		Use of Pool **(Schools)**						
		Weekdays, Monday - Friday (Rate per Hour)	57 89	8 11	66.00	64 04	8 96	73.00
		Weekends & Public Holidays (Rate per Hour)	114.91	16.09	131 00	126 32	17 68	144 00
		Use of Pool (Clubs)						
		Weekdays, Monday - Friday (Rate per Hour)	96.49	13 51	110 00	106 14	14 86	121.00
		Weekends & Public Holidays (Rate per Hour)	139.47	19 53	159.00	153.51	21 49	175.00
c		**Underwater Hockey**						
		Each member must be in possession of a valid season ticket or pay the daily entrance fee. (Schools and Seniors)	Season		Season	Season		Season

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
d		**Diving** Each member must be in possession of a valid season ticket or pay the daily entrance fee. (Schools and Seniors)	Season		Season	Season		Season
e		**Synchronised Swimming** Each member must be in possession of a valid season ticket or pay the daily entrance fee. (Schools and Seniors)	Season		Season	Season		Season
f		**Swimming** Each member must be in possession of a valid season ticket or pay the daily entrance fee. (Schools and Seniors)	Season		Season	Season		Season
10.1.8		**Commercial use (underwater diving training - S.C U.B.A. Equipment)**						
		Group up to 10 per morning / afternoon or part thereof	403.51	56.49	460.00	443.86	62.14	506.00
		Group over 10 per morning / afternoon or part thereof	580.70	81.30	662.00	638.60	89.40	728.00
10.2		**Ruth Belonsky Pool**						
10.2.1		**Daily Tariff**						
		Entrance						
		Adults	7.89	1.11	9.00	8.77	1.23	10.00
		Children & Pensioners	6.14	0.86	7.00	7.02	0.98	8.00
10.2.2		**Monthly Tariff**						
		Entrance						
		Adults	52.63	7.37	60.00	57.89	8.11	66.00
		Children & Pensioners	26.32	3.68	30.00	28.95	4.05	33.00
10.2.3		**Seasonal Tariff**						
		Entrance						
		Adults	105.26	14.74	120.00	115.79	16.21	132.00
		Children & Pensioners	52.63	7.37	60.00	57.89	8.11	66.00
10.2.4		**School Groups (Disadvantaged Community) during school days (holidays excluded)**						
		Daily Tariff						
		1-50 pupils	77.19	10.81	88.00	85.09	11.91	97.00
		51 - 100 pupils	158.77	22.23	181.00	174.56	24.44	199.00
		101 - 200 pupils	316.67	44.33	361.00	348.25	48.75	397.00
		201 -500 pupils	475.44	66.56	542.00	522.81	73.19	596.00
		501 and more pupils	634.21	88.79	723.00	697.37	97.63	795.00
		Teachers in charge						

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
10.2.5		**Galas - Pool**						
		Daily Tariff						
		Main Pool - Morning (08H00 to 13H00) / Afternoon (13H00 to 17H00)	110.53	15.47	126.00	121.05	16.95	138.00
		Main Pool - Evenings (17H00 to 21H00) / Floodlights included	206.14	28.86	235.00	226.32	31.68	258.00
10.2.6		**Training / Coaching**						
		Season ticket	105.26	14.74	120.00	115.79	16.21	132.00
		Per lane (maximum of 2 lanes without a lane rope per coach) (per day)	48.25	6.75	55.00	52.63	7.37	60.00
		(Lane rope to be used only at the discretion of the Supervisor)						
		Per Evening (17H00 to 21H00) Floodlights included	81.58	11.42	93.00	89.47	12.53	102.00
10.3		**King William's Town**						
10.3.1		**Daily Tariff**						
		Entrance						
		Adults	7.89	1.11	9.00	8.77	1.23	10.00
		Children & Pensioners	6.14	0.86	7.00	7.02	0.98	8.00
10.3.2		**Monthly Tariff**						
		Entrance						
		Adults	86.84	12.16	99.00	95.61	13.39	109.00
		Children & Pensioners	42.98	6.02	49.00	47.37	6.63	54.00
10.3.3		**Seasonal Tariff**						
		Entrance						
		Adults	211.40	29.60	241.00	232.46	32.54	265.00
		Children & Pensioners	105.26	14.74	120.00	115.79	16.21	132.00
		Spectators	158.77	22.23	181.00	174.56	24.44	199.00
10.3.4		**School Groups (Disadvantaged Community) during school days (holidays excluded)**						
		Daily Tariff						
		1-50 pupils	77.19	10.81	88.00	85.09	11.91	97.00
		51 - 100 pupils	158.77	22.23	181.00	174.56	24.44	199.00
		101 - 200 pupils	316.67	44.33	361.00	348.25	48.75	397.00
		201 -500 pupils	475.44	66.56	542.00	522.81	73.19	596.00
		501 and more pupils	634.21	88.79	723.00	697.37	97.63	795.00
		Teachers in charge						
		Litter & damage deposit - Groups larger than 100 (10% of Deposit is non refundable)	1 205.00	-	1 205.00	1 324.00	-	1 324.00
10.3.5		Galas						
		Weekdays for Morning or Afternoon (Per Hour)	62.28	8.72	71.00	68.42	9.58	78.00
		Weekday Evenings (Including Floodlights) (Per Hour)	269.30	37.70	307.00	295.61	41.39	337.00
		Weekend Evenings (Including Floodlights) (Per Hour)	393.86	55.14	449.00	432.46	60.54	493.00

Item	Code	Service	2014/15 Total Rcenta Excl.VAT	2014/15 VAT Rcenta 14%	2014/15 Total Rcenta VAT Incl.	2015/16 Total Rcenta Excl.VAT	2015/16 VAT Rcenta 14%	2015/16 Total Rcenta VAT Incl.
10.4		**Zwelitsha Pool**						
10.4.1		**Daily Tariff**						
		Entrance						
		Adults	7.89	1.11	9.00	8.77	1.23	10.00
		Children & Pensioners	6.14	0.86	7.00	7.02	0.98	8.00
10.4.2		**Monthly Tariff**						
		Entrance						
		Adults	42.98	6.02	49.00	47.37	6.63	54.00
		Children & Pensioners	21.05	2.95	24.00	22.81	3.19	26.00
10.4.3		**Seasonal Tariff**						
		Entrance						
		Adults	86.84	12.16	99.00	95.61	13.39	109.00
		Children & Pensioners	42.98	6.02	49.00	47.37	6.63	54.00
10.4.4		**School Groups (Disadvantaged Community) during school days (holidays excluded)**						
		Daily Tariff						
		1-50 pupils	273.68	38.32	312.00	300.88	42.12	343.00
		51-100 pupils	422.81	59.19	482.00	464.91	65.09	530.00
		101-200 pupils	686.84	96.16	783.00	755.26	105.74	861.00
		201-500 pupils	1 109.65	155.35	1 265.00	1 219.30	170.70	1 390.00
		501 and more	1 373.68	192.32	1 566.00	1 509.65	211.35	1 721.00
		Teacher in Charge						
10.4.5		**Galas**						
		Daily Tariff						
		Morning (08H00 to 13H00) and afternoon (13H00 to 17H00)	110.53	15.47	126.00	121.05	16.95	138.00
		Evenings (17H00 to 21H00) Floodlights included	206.14	28.86	235.00	226.32	31.68	258.00

Item	Tax Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
11		**RESORTS AND CARAVAN PARKS**						
11.1		**Nahoon Caravan Park**						
11.1.1		**Peak Season (16 Dec - to end of first full week in January & Easter weekend)**						
		Sites (4 people)	230.70	32.30	263.00	253.51	35.49	289.00
		Additional per person (maximum 6 people per site)	23.68	3.32	27.00	26.32	3.68	30.00
		Day Visitors	42.98	6.02	49.00	47.37	6.63	54.00
		Pensioners (over 60 yrs) - Discount	10.00%		10.00%	10.00%		10.00%
		Groups of more than 50 people (Excluding Rallies) - Discount	10.00%		10.00%	10.00%		10.00%
11.1.2		Low Season						
		Sites (4 people)	153.51	21.49	175.00	168.42	23.58	192.00
		Additional per person (maximum 6 people per site)	23.68	3.32	27.00	26.32	3.68	30.00
		Day Visitors	23.68	3.32	27.00	26.32	3.68	30.00
		Pensioners (over 60yrs) - Discount (Only on daily rates, monthly rates are fixed)	25.00%		25.00%	25.00%		25.00%
		Groups of more than 50 people (Excluding Rallies) - Discount (Only on daily rates)	20.00%		20.00%	20.00%		20.00%
		Monthly Rates (per calendar month) Only specific sites - 6-14 and 41-43	3 032.46	424.54	3 457.00	3 332.46	466.54	3 799.00
11.2		**Gonubie Resort**						
11.2.1		**Peak Season (16 Dec - to end of first week in January & Easter weekend)**						
		Sites (4 people)	341.23	47.77	389.00	375.44	52.56	428.00
		Additional per person (maximum 6 people per site)	28.95	4.05	33.00	31.58	4.42	36.00
		Electricity	n/a		n/a	n/a		n/a
		Club discount (caravans) Discount	10.00%		10.00%	10.00%		10.00%
		Cottages 1, 2 (4 people)	Not in Use		Not in Use	Not in Use		Not in Use
		Additional per person (maximum 6 people per cottage)	Not in Use		Not in Use	Not in Use		Not in Use
		Timber Chalets, 2 bedrooms (4 people)	1 277.19	178.81	1 456.00	1 403.51	196.49	1 600.00
		Additional per person (maximum 6 people per chalet)	71.93	10.07	82.00	78.95	11.05	90.00
		Timber Chalets, 1 bedroom (4 people only)	1 100.00	154.00	1 254.00	1 208.77	169.23	1 378.00
		Caravan Storage per month	384.21	53.79	438.00	421.93	59.07	481.00
		Caravan Storage per day	52.63	7.37	60.00	57.89	8.11	66.00
		Deposit, booking two weeks or longer in advance	50.00%		50.00%	50.00%		50.00%
		Deposit, shorter than two weeks notice	Full Amount		Full Amount	Full Amount		Full Amount
		Refunds, cancellations						
		- three month's notice Less	20.00%		20.00%	20.00%		20.00%
		- Less than three months' notice	No Refund		No Refund	No Refund		No Refund
		Pensioners (over 60 yrs) discount	10.00%		10.00%	10.00%		10.00%
		Refundable Deposit						
		- Possible damage / breakage of equipment (e.g. glasses & crokery)	120.00	-	120.00	500.00	-	500.00
		- TV Remote control	110.00	-	110.00	121.00	-	121.00
		Discount for stay of 5 days or longer for chalet with 4 - 6 people	10.00%		10.00%	10.00%		10.00%
		Discount for groups booking 5 chalets or more	10.00%		10.00%	10.00%		10.00%
		Lost property will be kept for three months on site				3 months		3 months

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
11.2.2		**Out of Season**						
		Sites (4 people)	182.46	25.54	208.00	200.88	28.12	229.00
		Additional per person (maximum 6 people per site)	28.95	4.05	33.00	31.58	4.42	36.00
		Cottages 1, 2 (4 people)	Not in Use		Not in Use	Not in Use		Not in Use
		Additional per person (maximum 6 people per cottage)	Not in Use		Not in Use	Not in Use		Not in Use
		Timber Chalets, 2 bedrooms (4 people)	758.77	106.23	865.00	834.21	116.79	951.00
		Additional per person (maximum 6 people per chalet)	71.93	10.07	82.00	78.95	11.05	90.00
		Timber Chalets, 1 bedroom (4 people only)	619.30	86.70	706.00	680.70	95.30	776.00
		Caravan Storage per month	384.21	53.79	438.00	421.93	59.07	481.00
		Caravan Storage per day	52.63	7.37	60.00	57.89	8.11	66.00
		Deposit, booking two weeks or longer in advance	50.00%		50.00%	50.00%		50.00%
		Deposit, shorter than two weeks notice	Full Amount		Full Amount	Full Amount		Full Amount
		Refunds, cancellations :-						
		- one month's notice Less	20.00%		20.00%	20.00%		20.00%
		- Less than one month's notice	No Refund		No Refund	No Refund		No Refund
		Pensioners (over 60 yrs) discount (chalets excluded)	25.00%		25.00%	25.00%		25.00%
		Refundable Deposit						
		- Possible damage / breakage of equipment (e.g. glasses & crokery)	120.00	-	120.00	500.00	-	500.00
		- TV Remote control	110.00	-	110.00	121.00	-	121.00
		Discount for stay of 5 days or longer for chalet with 4 - 6 people	10.00%		10.00%	10.00%		10.00%
		Discount for groups booking 5 chalets or more	10.00%		10.00%	10.00%		10.00%
		Use of shower by non-guest (out of season only at discretion of management)	-	-	-	40.00	-	40.00
11.3		**General**						
		Day Visitors to chalets	38.00	5.40	44.00	42.11	5.89	48.00
		Vehicle Entrance Fee						
		2 Vehicles (residents only)						
		Additional vehicle / day	19.30	2.70	22.00	21.05	2.95	24.00
		No refunds on early departure						
		Any credits available can be offset against future bookings. Valid for 12 months						
		Late departures to be arranged with the office in advance or late departure penalty will be payable, equivalent to a day's stay						
11.4		**Discounts**						
		Caravan Rallies	25.00%		25.00%	25.00%		25.00%
		Peak Season less a discount of	5.00%		5.00%	5.00%		5.00%
		Groups of more than 50 people (Excluding Rallies) - Nahoon (Peak Season)	10.00%		10.00%	10.00%		10.00%
		Groups of more than 50 people (Excluding Rallies) - Nahoon (Low Season)	20.00%		20.00%	20.00%		20.00%
		Pensioners (60 years and over) In season	10.00%		10.00%	10.00%		10.00%
		Pensioners (60 years and over) Out of season	25.00%		25.00%	25.00%		25.00%
		Stay of 5 days or longer for chalet with 4 - 6 people	10.00%		10.00%	10.00%		10.00%
		Groups booking 5 chalets or more	10.00%		10.00%	10.00%		10.00%

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
12		**SPORTSFIELDS**						
12.1		**East London**						
12.1.1		**Braelyn Ext 10 (Softball)**						
		Annual hire Per Code	3 676 32	514 68	4 191.00	4 040 35	565 65	4 606 00
		Causal use, per day	170 18	23 82	194.00	186 84	26 16	213 00
		Schools annual	1 844 74	258 26	2 103 00	2 027 19	283.81	2 311.00
		Schools per day	100 00	14 00	114.00	109 65	15 35	125 00
		Floodlights (per hour of part thereof)	128 07	17 93	146 00	140 35	19 65	160 00
12.1.2		**Alfred Schoeman Stadium (Hockey, Soccer, Cricket)**						
		Annual hire Per Code	3 676 32	514.68	4 191 00	4 040 35	565.65	4 606 00
		Causal use, per day	170 18	23 82	194.00	186 84	26 16	213 00
		Schools annual	1 844 74	258 26	2 103 00	2 027 19	283.81	2 311.00
		Schools per day	100 00	14 00	114.00	109.65	15 35	125 00
		Floodlights (per hour of part thereof)	128 07	17 93	146 00	140 35	19 65	160 00
12.1.3		**Amalinda Cycle Track**						
		Annual hire Per Code	-	-	-	2 027 19	283.81	2 311.00
		Casual use, per day	-	-	-	186 84	26 16	213 00
		Schools annual	-	-	-	1 014 91	142 09	1 157 00
		Schools per day	-	-	-	140 35	19 65	160 00
12.1.4		**Bunkers Hill Stadium (Hockey, Soccer, Cricket)**						
		Annual hire Per Code	3 943 86	552 14	4 496.00	4 334 21	606 79	4 941 00
		Causal use, per day	170 18	23 82	194.00	186.84	26 16	213 00
		Schools annual	1 973 68	276 32	2 250 00	2 169 30	303 70	2 473 00
		Schools per day	128 07	17 93	146 00	140.35	19.65	160 00
12.1.5		**Gompo Stadium (Rugby, Soccer)**						
		Annual hire Per Code	1 844 74	258.26	2 103 00	2 027 19	283 81	2 311.00
		Casual use, per day	170 18	23 82	194 00	186 84	26 16	213 00
		Schools annual	923 68	129 32	1 053 00	1 014 91	142 09	1 157 00
		Schools per day	128 07	17 93	146 00	140 35	19 65	160 00
12.1.6		**Jan Smuts Stadium (Athletics)**						
		Deposit (R60.00 non-refundable)	3 152 63	441 37	3 594 00	3 464 91	485 09	3 950 00
		Athletics per meeting	923 68	129 32	1 053 00	1 014 91	142 09	1 157.00
		Training :						
		Adults / year / person	170 18	23 82	194 00	186 84	26 16	213 00
		Juniors / year / person	86.84	12 16	99.00	95 61	13 39	109.00
		Floodlights (per hour of part thereof)	170 18	23 82	194.00	186.84	26 16	213.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
12.1.7		**Jan Smuts Stadium (Soccer)**						
		Deposit (R60.00 non-refundable)	3 192.11	446.89	3 639.00	3 507.89	491.11	3 999.00
		Soccer (Maximum 3 events / week. Senior Soccer only)						
		- Annual hire, both fields	6 299.12	881.88	7 181.00	6 922.81	969.19	7 892.00
		- Casual use, per day	326.32	45.68	372.00	358.77	50.23	409.00
		- Floodlights (per hour or part thereof)	170.18	23.82	194.00	186.84	26.16	213.00
12.1.8		**Jan Smuts Stadium (Special events)**						
		Deposit (R60.00 non-refundable)	3 152.63	441.37	3 594.00	3 464.91	485.09	3 950.00
		Per event	6 299.12	881.88	7 181.00	6 922.81	969.19	7 892.00
		Floodlights (per hour of part thereof)	170.18	23.82	194.00	186.84	26.16	213.00
12.1.9		**Sisa Dukashe Stadium**						
		Annual hire	2 370.18	331.82	2 702.00	2 604.39	364.61	2 969.00
		Casual use, per day	326.32	45.68	372.00	358.77	50.23	409.00
		Schools Annual	1 176.32	164.68	1 341.00	1 292.98	181.02	1 474.00
		Schools Per day	170.18	23.82	194.00	186.84	26.16	213.00
		Floodlights (per hour of part thereof)	170.18	23.82	194.00	186.84	26.16	213.00
12.1.10		**Mdantsane: Other Sports Fields**						
		Annual hire: Per Code	395.61	55.39	451.00	435.09	60.91	496.00
		Casual use, per day	156.14	21.86	178.00	171.93	24.07	196.00
		Schools Annual	199.12	27.88	227.00	218.42	30.58	249.00
		Schools per day	86.84	12.16	99.00	95.61	13.39	109.00
12.1.11		**Mdantsane NU 6 & 15**						
		Annual hire	1 447.37	202.63	1 650.00	1 590.35	222.65	1 813.00
		Casual use, per day	170.18	23.82	194.00	186.84	26.16	213.00
		Schools: Annual	737.72	103.28	841.00	810.53	113.47	924.00
		Schools Per day	86.84	12.16	99.00	95.61	13.39	109.00
12.1.12		**North End Stadium**						
		Soccer						
		Annual hire	4 116.67	576.33	4 693.00	4 524.56	633.44	5 158.00
		Casual use, per day	170.18	23.82	194.00	186.84	26.16	213.00
		Floodlights (per hour of part thereof)	170.18	23.82	194.00	186.84	26.16	213.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
12.1.13		**Parkside Fields**						
		Annual hire: Per Code	2 128 95	298.05	2 427 00	2 339.47	327 53	2 667.00
		Causal use, per day	156 14	21 86	178.00	171 93	24.07	196 00
		Schools Annual	1 049 12	146 88	1 196.00	1 152 63	161 37	1 314.00
		Schools Per Day	86.84	12 16	99 00	95.61	13 39	109 00
12.1.14		**Selborne Recreation Grounds (Cricket, Rugby, Soccer)**						
		Annual hire Per Code	1 304 39	182 61	1 487 00	1 433 33	200.67	1 634 00
		Causal use, per day	170 18	23 82	194.00	186 84	26 16	213 00
		Schools Annual	923 68	129 32	1 053.00	1 014 91	142 09	1 157.00
		Schools Per Day	86 84	12 16	99.00	95 61	13 39	109 00
12.1.15		**Selborne Tennis Stadium**						
		Annual hire per court	1 391.23	194 77	1 586 00	1 528.95	214.05	1 743 00
12.1.16		**Lujiza Sports Complex (Basketball, Volleyball, Tennis, Netball)**						
		Annual Per Code	680 70	95.30	776.00	748.25	104 75	853.00
		Casual use, per day	170 18	23 82	194 00	186.84	26 16	213 00
		Schools Annual	340 35	47 65	388 00	373 68	52 32	426.00
		Schools Per Day	86.84	12 16	99 00	95 61	13 39	109 00
		Alfred Schoeman sports stadium						
12.1.17		**Marches and other relevant events**						
		Hire	326 32	45 68	372 00	358 77	50.23	409.00
		Deposit (R60 00 non refundable)	1 604 39	224 61	1 829.00	1 763 16	246 84	2 010.00
12.1.18		**Circus sites**						
		Per operational day	923 68	129 32	1 053.00	1 014 91	142 09	1 157 00
		Per non-operational day	185.09	25 91	211 00	203 51	28.49	232 00
		Deposit (R64 00 non refundable)	6 299 12	881 88	7 181.00	6 922 81	969 19	7 892 00
12.1.19		**Litter / Damage deposits**						
		(Unless otherwise specified)						
		Deposit (R64 00 non refundable)	1 106 14	154 86	1 261 00	1 215 79	170 21	1 386 00
12.1.20		**West Bank (Soccer Field)**						
		Annual hire Per Code	-	-	-	2 027 19	283 81	2 311 00
		Casual use, per day	-	-	-	186.84	26 16	213.00
		Schools annual	-	-	-	1 014 91	142 09	1 157.00
		Schools per day	-	-	-	140 35	19.65	160.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
12.2		**King Williams Town**						
12.2.1		**Victoria Grounds (Rugby & Cricket)**						
		Annual Hire Per Code	3 676.32	514.68	4 191.00	4 040.35	565.65	4 606.00
		Casual use, per day	156.14	21.86	178.00	171.93	24.07	196.00
		Schools. Annual	1 844.74	258.26	2 103.00	2 027.19	283.81	2 311.00
		Schools. Per Day	100.00	14.00	114.00	109.65	15.35	125.00
		Floodlights (per hour or part thereof)	100.00	14.00	114.00	109.65	15.35	125.00
12.2.2		**Farrer's Field (Rugby, Cricket, Soccer), And Tharratt Field (Rugby, Soccer, Cricket)**						
		Annual Hire. Per Code	2 484.21	347.79	2 832.00	2 729.82	382.18	3 112.00
		Casual use, per day	142.11	19.89	162.00	156.14	21.86	178.00
		Schools. Annual	1 234.21	172.79	1 407.00	1 356.14	189.86	1 546.00
		Schools. Per Day	100.00	14.00	114.00	109.65	15.35	125.00
		Floodlights (per hour or part thereof)	100.00	14.00	114.00	109.65	15.35	125.00
12.2.3		**Schornville Field (Rugby), Ginsberg Field (Cricket & Soccer) And Bisho Field**						
		Annual Hire Per Code	1 447.37	202.63	1 650.00	1 590.35	222.65	1 813.00
		Casual use, per day	142.11	19.89	162.00	156.14	21.86	178.00
		Schools: Annual	737.72	103.28	841.00	810.53	113.47	924.00
		Schools. Per Day	86.84	12.16	99.00	95.61	13.39	109.00
		Floodlights (per hour or part thereof)	28.07	3.93	32.00	30.70	4.30	35.00
12.2.4		**Breidbach Field**						
		Annual Hire. Per Code	2 356.14	329.86	2 686.00	2 589.47	362.53	2 952.00
		Casual use, per day	156.14	21.86	178.00	171.93	24.07	196.00
		Schools. Annual	1 176.32	164.68	1 341.00	1 292.98	181.02	1 474.00
		Schools. Per Day	86.84	12.16	99.00	95.61	13.39	109.00
		Floodlights (per hour or part thereof)	70.18	9.82	80.00	77.19	10.81	88.00
12.2.5		**Qalashe Field**						
		Annual Hire: Per Code	1 447.37	202.63	1 650.00	1 590.35	222.65	1 813.00
		Casual use, per day	142.11	19.89	162.00	156.14	21.86	178.00
		Schools. Annual	737.72	103.28	841.00	810.53	113.47	924.00
		Schools. Per Day	86.84	12.16	99.00	95.61	13.39	109.00
		Floodlights (per hour or part thereof)	70.18	9.82	80.00	77.19	10.81	88.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
12.2.6		**Ilitha Field, Phakamisa Field And Zwelitsha Zone 10 Field (Soccer & Rugby)**						
		Annual Hire Per Code	371 05	51 95	423.00	407 89	57 11	465.00
		Casual use, per day	142 11	19 89	162 00	156 14	21 86	178.00
		Schools Annual	185 09	25 91	211.00	203 51	28 49	232 00
		Schools Per Day	70 18	9 82	80.00	77 19	10.81	88.00
		Floodlights (Zwelitsha Zone 10 Field (Soccer & Rugby) only) (per hour or part thereof)	57 89	8 11	66.00	64.04	8 96	73.00
12.2.7		**Zwelitsha Complex (Soccer & Rugby), Dimbaza Soccer Stadium And Dimbaza Rugby Stadium**						
		Annual Hire Per Code	1 377 19	192 81	1 570.00	1 513.16	211 84	1 725.00
		Casual use, per day	156 14	21 86	178 00	171 93	24 07	196.00
		Schools Annual	694 74	97 26	792.00	763 16	106.84	870.00
		Schools Per Day	70 18	9 82	80.00	77 19	10.81	88.00
12.2.8		Litter / Damage Deposits (unless otherwise specified)						
		Deposit for sports (R64.00 non-refundable)	1 064.04	148 96	1 213.00	1 169 30	163 70	1 333.00
		Deposit for Special Events eg Political Rallies, etc	3 135.09	438 91	3 574 00	3 445 61	482 39	3 928 00
12.3		**Bhisho**						
12.3.1		**Bhisho Stadium (Athletics)**						
		Deposit (R60 00 non-refundable)	3 093 86	433 14	3 527 00	3 400 00	476 00	3 876.00
		Athletics per meeting	906 14	126 86	1 033.00	995.61	139 39	1 135 00
		Training :						
		Adults / year / person	167 54	23 46	191 00	184 21	25 79	210.00
		Juniors / year / person	82 46	11 54	94 00	90 35	12.65	103.00
		Floodlights (per hour of part thereof)	167 54	23 46	191.00	184 21	25.79	210 00
12.3.2		**Bhisho Stadium (Soccer)**						
		Deposit (R60 00 non-refundable)	3 134 21	438 79	3 573 00	3 444 74	482 26	3 927.00
		Soccer (Maximum 3 events / week Senior Soccer only)						
		Annual hire, both fields	6 187 72	866.28	7 054.00	6 800.00	952 00	7 752.00
		Casual use, per day	320 18	44 82	365 00	351 75	49 25	401 00
		Floodlights (per hour or part thereof)	167 54	23.46	191 00	184 21	25 79	210 00
12.3.3		**Bhisho Stadium (Special events)**						
		Deposit (R60 00 non-refundable)	3 093 86	433 14	3 527.00	3 400 00	476 00	3 876 00
		Per event	6 187 72	866.28	7 054.00	6 800 00	952.00	7 752 00
		Floodlights (per hour of part thereof)	167 54	23.46	191.00	184.21	25 79	210 00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
13		**HALLS**						
		Notes For All Halls						
a		**Sundays & Public Holidays - Daily rate x 2**						
b		**Double rate to be charged for all after hours bookings, ie. After 18H00 on week-days and for week-ends.**						
c		**A 25 % discount is given if both the City Hall and Quadrangle is hired.**						
d		**50 % of the tariff is charged for preparation time (City Hall & Quadrangle only).**						
e		**Hire after 24h00 subject to staff availability.**						
f		**Deposits: 10 % is non-refundable.**						
g		**All tariffs per session per hall unless otherwise stated.**						
h		**Categories - Category I, II, III.**						
		For the purpose of determining tariffs, in respect of halls, the following categories are provided for -						
		Category I = Events organised with the purpose of making a profit by - businesses, corporate bodies, colleges, technikons, universities, etc. and includes functions such as disco's, beauty contests, concerts, professional boxing, films, etc						
		Category II = Fundraising events such as - bazaars, concerts, dances, high teas, etc which is run / organised by - Churches or Religious Bodies, Cultural Organisations, Schools (State-Aided), Service Clubs (Rotary, Round Table, Rapportryers, Lions, etc), Amateur Sporting Clubs, etc. and also includes - Graduations, Parties, Weddings						
		Category III = Includes Events such as: Church Services, Funerals, Meetings, Prize Giving, etc. which is organised or run by - Churches or Religious Bodies, Cultural Organisations, Schools (State-Aided), Service Clubs (Rotary, Round Table, Rapportryers, Lions, etc), Amateur Sporting Clubs, etc						
i		**All charges to be levied per session. Hourly rate only applicable after 24h00.**						
		Halls - General						
i.1		A percentage of deposit amount to be retained if cancellations are made less than 4 weeks before the event takes place	50%		50%	50%		50%
i.2		Hire fees for specific items						
		Oval tables - each	31.58	4.42	36.00	35.09	4.91	40.00
i.3		Kitchen: R533 for a week (Monday - Friday)						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
13.1		**East London**						
13.1.1		**City Hall / Quadrangle / Kitchen**						
a		**Category I**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	1 530.70	214.30	1 745.00	1 682.46	235.54	1 918.00
		08h00 - 13h00 / 13h00 - 18h00 Meetings	391.23	54.77	446.00	429.82	60.18	490.00
		18h00 - 24h00	2 101.75	294.25	2 396.00	2 309.65	323.35	2 633.00
		Full 6 day week - 08h00 - 24h00 Monday - Saturday	13 023.68	1 823.32	14 847.00	14 313.16	2 003.84	16 317.00
		Kitchen (Deposit)	715.79	100.21	816.00	786.84	110.16	897.00
		Deposit - Function	6 914.04	967.96	7 882.00	7 598.25	1 063.75	8 662.00
		Meeting	715.79	100.21	816.00	786.84	110.16	897.00
		Kitchen (Hire) per day	1 048.25	146.75	1 195.00	1 151.75	161.25	1 313.00
		Kitchen (Hire) 6 day Monday - Saturday	3 217.54	450.46	3 668.00	3 535.96	495.04	4 031.00
		Bar (Hire) per day	839.47	117.53	957.00	922.81	129.19	1 052.00
b		**Category II**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	920.18	128.82	1 049.00	1 011.40	141.60	1 153.00
		08h00 - 13h00 / 13h00 - 18h00 Meetings	391.23	54.77	446.00	429.82	60.18	490.00
		18h00 - 24h00	1 221.93	171.07	1 393.00	1 342.98	188.02	1 531.00
		Full 6 day week - 08h00 - 24h00 Monday - Saturday	7 653.51	1 071.49	8 725.00	8 411.40	1 177.60	9 589.00
		Kitchen (Deposit)	715.79	100.21	816.00	786.84	110.16	897.00
		Deposit - Function	3 538.60	495.40	4 034.00	3 888.60	544.40	4 433.00
		Meeting	715.79	100.21	816.00	786.84	110.16	897.00
		Kitchen (Hire) per day	968.42	135.58	1 104.00	1 064.04	148.96	1 213.00
		Kitchen (Hire) 6 day Monday - Saturday	3 217.54	450.46	3 668.00	3 535.96	495.04	4 031.00
		Bar (Hire) per day	420.18	58.82	479.00	461.40	64.60	526.00
c		**Category III**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	384.21	53.79	438.00	421.93	59.07	481.00
		08h00 - 13h00 / 13h00 - 18h00 Meetings	194.74	27.26	222.00	214.04	29.96	244.00
		18h00 - 24h00	614.04	85.96	700.00	674.56	94.44	769.00
		Full 6 day week - 08h00 - 24h00 Monday - Saturday	4 184.21	585.79	4 770.00	4 598.25	643.75	5 242.00
		Kitchen (Deposit)	354.39	49.61	404.00	389.47	54.53	444.00
		Deposit - Function	1 737.72	243.28	1 981.00	1 909.65	267.35	2 177.00
		Meeting	354.39	49.61	404.00	389.47	54.53	444.00
		Kitchen (Hire) per day	968.42	135.58	1 104.00	1 064.04	148.96	1 213.00
		Kitchen (Hire) 6 day Monday - Saturday	3 217.54	450.46	3 668.00	3 535.96	495.04	4 031.00
		Bar (Hire) per day	420.18	58.82	479.00	461.40	64.60	526.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
d		**All Categories**						
		Rate per hour: 08h00 - 16h30	255.26	35.74	291.00	280.70	39.30	320.00
		After 24h00	420.18	58.82	479.00	461.40	64.60	526.00
13.1.2		**David Rees / Gordon Sprigg Room**						
a		**Category I**						
		Monday to Saturday - Per meal session up to 17h00 / hour	199.12	27.88	227.00	218.42	30.58	249.00
		08h00 - 13h00 / 13h00 - 18h00	391.23	54.77	446.00	429.82	60.18	490.00
		18h00 - 24h00	1 745.61	244.39	1 990.00	1 918.42	268.58	2 187.00
		Deposit	391.23	54.77	446.00	429.82	60.18	490.00
b		**Category II**						
		Monday to Saturday - Per meal session up to 24 hrs	199.12	27.88	227.00	218.42	30.58	249.00
		08h00 - 13h00 / 13h00 - 18h00	391.23	54.77	446.00	429.82	60.18	490.00
		18h00 - 24h00	1 414.91	198.09	1 613.00	1 555.26	217.74	1 773.00
		Deposit	391.23	54.77	446.00	429.82	60.18	490.00
c		**Category III**						
		Monday to Saturday - Per meal session up to 24 hrs	104.39	14.61	119.00	114.91	16.09	131.00
		08h00 - 13h00 / 13h00 - 18h00	194.74	27.26	222.00	214.04	29.96	244.00
		18h00 - 24h00	870.18	121.82	992.00	956.14	133.86	1 090.00
		Deposit	194.74	27.26	222.00	214.04	29.96	244.00
d		**All Categories**						
		Rate per hour: 08h00 - 16h30	117.54	16.46	134.00	128.95	18.05	147.00
		After 24h00	323.68	45.32	369.00	356.14	49.86	406.00
13.1.3		**Orient Theatre**						
a		**Category I**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	395.61	55.39	451.00	435.09	60.91	496.00
		18h00 - 24h00	2 101.75	294.25	2 396.00	2 309.65	323.35	2 633.00
		Deposit	13 021.93	1 823.07	14 845.00	14 311.40	2 003.60	16 315.00
b		**Category II**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	337.72	47.28	385.00	371.05	51.95	423.00
		18h00 - 24h00	1 221.93	171.07	1 393.00	1 342.98	188.02	1 531.00
		Deposit	7 653.51	1 071.49	8 725.00	8 411.40	1 177.60	9 589.00
c		**Category III**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	171.93	24.07	196.00	188.60	26.40	215.00
		18h00 - 24h00	614.04	85.96	700.00	674.56	94.44	769.00
		Deposit	4 184.21	585.79	4 770.00	4 598.25	643.75	5 242.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
d		**All Categories**						
		Rate per hour 08h00 - 15h30	250 14	35.86	292 00	281 58	39.42	321.00
		After 24h00	420 18	58 82	479 00	461 40	64 60	526.00
		Preparation time 50% of Category I tariff for all Categories						
13.1.4		**Cambridge, Robbie & Carnegie Hall**						
a		**Category I**						
		Monday - Saturday 08h00 - 13h00 / 13h00 - 18h00	807 89	113 11	921 00	887 72	124 28	1 012 00
		18h00 - 24h00	1 126 32	157.68	1 284 00	1 237 72	173 28	1 411 00
		Deposit	776 32	108 68	885 00	853 51	119 49	973 00
b		**Category II**						
		Monday to Saturday 08h00 - 13h00 / 13h00 - 18h00	425 44	59 56	485.00	467 54	65.46	533.00
		18h00 - 24h00	629 82	88 18	718.00	692 11	96 89	789.00
		Deposit	776 32	108 68	885 00	853 51	119 49	973.00
c		**Category III**						
		Monday to Saturday 08h00 - 13h00 / 13h00 - 18h00	214 91	30.09	245.00	235 96	33 04	269.00
		18h00 - 24h00	323 68	45 32	369.00	356 14	49 86	406.00
		Deposit	485 96	68 04	554.00	534 21	74 79	609.00
d		**All Categories**						
		Rate per hour 08h00 - 16h30	171 93	24 07	196.00	188 60	26.40	215.00
		After 24h00	354 39	49 61	404 00	389 47	54 53	444 00
		Preparation time 50% of Category I tariff for all Categories						
		Kitchen / Bar (per session)	131 58	18.42	150 00	144 74	20 26	165.00
13.1.5		**Clements Kadalie Centre**						
a		**Category I**						
		Monday - Saturday 08h00 - 13h00/13h00 - 18h00	807 89	113 11	921 00	887 72	124.28	1 012 00
		18h00 - 24h00	1 128 07	157 93	1 286 00	1 239 47	173 53	1 413.00
		Deposit	776 32	108 68	885.00	853.51	119.49	973.00
b		**Category II**						
		Monday to Saturday 08h00 - 13h00/13h00 - 18h00	425 44	59 56	485 00	467 54	65 46	533.00
		18h00 - 24h00	629 82	88 18	718.00	692 11	96 89	789.00
		Deposit	776 32	108.68	885.00	853 51	119 49	973.00
c		**Category III**						
		Monday to Saturday 08h00 - 13h00/13h00 - 18h00	214 91	30 09	245.00	235.96	33.04	269.00
		18h00 - 24h00	326.32	45.68	372.00	358 77	50.23	409 00
		Deposit	485 96	68.04	554 00	534 21	74 79	609.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
d		**All Categories**						
		Committee Room per day	80 70	11 30	92 00	88 60	12 40	101 00
		Kitchen (Deposit)	528 07	73 93	602 00	580 70	81 30	662 00
		Kitchen (Hire) per day	600 00	84 00	684 00	659 65	92 35	752 00
		Kitchen (Hire) 6 day Monday - Saturday	895 61	125 39	1 021 00	984 21	137 79	1 122 00
		Dining Room per meal session	211 40	29 60	241 00	232 46	32 54	265 00
		Rate per hour: 08h00 - 16h30	194 74	27 26	222 00	214 04	29 96	244 00
		After 24h00	354 39	49 61	404 00	389 47	54 53	444 00
		Preparation time - 50% of Category I tariff for all Categories						
13.1.6		**Billy Francis, Parkside & Braelyn Hall**						
a		**Category I**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	655 26	91 74	747 00	720 18	100 82	821 00
		18h00 - 24h00	895 61	125 39	1 021 00	984 21	137 79	1 122 00
		Deposit	778 07	108 93	887 00	855 26	119 74	975 00
		Kitchen (Hire) per Session	151 75	21 25	173 00	166 67	23 33	190 00
b		**Category II**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	242 11	33 89	276 00	265 79	37 21	303 00
		18h00 - 24h00	391 23	54 77	446 00	429 82	60 18	490 00
		Deposit	778 07	108 93	887 00	855 26	119 74	975 00
		Kitchen (Hire) per Session	151 75	21 25	173 00	166 67	23 33	190 00
c		**Category III**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	131 58	18 42	150 00	144 74	20 26	165 00
		18h00 - 24h00	194 74	27 26	222 00	214 04	29 96	244 00
		Deposit	391 23	54 77	446 00	429 82	60 18	490 00
		Kitchen (Hire) per Session	151 75	21 25	173 00	166 67	23 33	190 00
d		**All Categories**						
		Rate per hour: 08h00 - 16h30	117 54	16 46	134 00	128 95	18 05	147 00
		After 24h00	326 32	45 68	372 00	358 77	50 23	409 00
		Committee room - per day	100 00	14 00	114 00	109 65	15 35	125 00
		Committee room - per session	43 86	6 14	50 00	48 25	6 75	55 00
13.1.7		**Mdantsane, Potsdam, Gompo, Berlin, Gcobani, Macleantown & Mzamomhle Halls**						
a		**Category I**						
		Monday to Saturday: 08h00 - 13h00 / 13h00 - 18h00	281 58	39 42	321 00	309 65	43 35	353 00
		18h00 - 24h00	715 79	100 21	816 00	786 84	110 16	897 00
		All Zones: 24h00 - 06h00	1 399 12	195 88	1 595 00	1 537 72	215 28	1 753 00
		Deposit	1 399 12	195 88	1 595 00	1 537 72	215 28	1 753 00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b		**Category II**						
		Monday to Saturday 08h00 - 13h00 / 13h00 - 18h00	142 11	19 89	162 00	156 14	21 86	178.00
		18h00 - 24h00	320 18	44 82	365 00	351 75	49 25	401 00
		All Zones 24h00 - 06h00	1 119 30	156 70	1 276.00	1 229 82	172 18	1 402 00
		Deposit	1 048 25	146 75	1 195 00	1 151 75	161.25	1 313 00
c		**Category III**						
		Monday to Saturday 08h00 - 13h00 / 13h00 - 18h00	80 70	11 30	92 00	88 60	12 40	101.00
		18h00 - 24h00	191 23	26 77	218.00	210 53	29 47	240.00
		All Zones 24h00 - 06h00	839 47	117 53	957 00	922 81	129 19	1 052 00
		Deposit	354 39	49.61	404 00	389 47	54 53	444 00
d		**All Categories**						
		After 24h00 rate per hour	246 49	34 51	281 00	271 05	37 95	309.00
		All Contests and concerts Deposit						
		Rehearsal & Training 08h00 - 16h30 - Tariff per day	28 07	3 93	32.00	30 70	4 30	35 00
		After 16h30 - Tariff per hour	53 51	7 49	61 00	58 77	8 23	67 00
13.1.8		**Scenery Park Hall**						
a		**Category I**						
		Monday - Saturday 08h00 - 13h00/13h00 - 18h00	807 89	113 11	921 00	887 72	124 28	1 012 00
		18h00 - 24h00	1 128 07	157 93	1 286.00	1 239.47	173.53	1 413.00
		Deposit	776 32	108 68	885.00	853 51	119 49	973 00
b		**Category II**						
		Monday to Saturday 08h00 - 13h00/13h00 - 18h00	425.44	59 56	485 00	467 54	65 46	533.00
		18h00 - 24h00	629.82	88 18	718 00	692 11	96.89	789 00
		Deposit	776 32	108.68	885.00	853 51	119 49	973.00
c		**Category III**						
		Monday to Saturday 08h00 - 13h00/13h00 - 18h00	214 91	30 09	245.00	235.96	33.04	269.00
		18h00 - 24h00	326 32	45.68	372 00	358 77	50.23	409.00
		Deposit	485 96	68 04	554 00	534 21	74 79	609.00
d		**All Categories**						
		Committee Room per day	80 70	11 30	92 00	88.60	12 40	101.00
		Kitchen (Deposit)	528 07	73 93	602.00	580 70	81 30	662.00
		Kitchen (Hire) per day	600 00	84 00	684.00	659 65	92 35	752 00
		Kitchen (Hire) 6 day Monday - Saturday	895 61	125 39	1 021 00	984 21	137 79	1 122 00
		Dining Room per meal session	211 40	29 60	241 00	232 46	32 54	265.00
		Rate per hour 08h00 16h30	194.74	27 26	222 00	214 04	29.96	244.00
		After 24h00	354.39	49 61	404.00	389 47	54 53	444.00
		Preparation time - 50% of Category I tariff for all Categories						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
13.2		**King William's Town**						
13.2.1		**King William's Town Town Hall And War Memorial Hall**						
a		Commercial and Professional (events for economic gain, save charity)	1 421.05	198.95	1 620.00	1 561.40	218.60	1 780.00
b		Religious, Ceremonial, Charitable, Cultural (including weddings & funerals)	1 130.70	158.30	1 289.00	1 242.98	174.02	1 417.00
c		Political & Trade Unions	1 130.70	158.30	1 289.00	1 242.98	174.02	1 417.00
d		Social (including dances, private parties and fashion shows) **No dancing permitted in Town Hall**	1 130.70	158.30	1 289.00	1 242.98	174.02	1 417.00
e		Preparation & rehearsal	142.11	19.89	162.00	156.14	21.86	178.00
		Deposits	1 620.18	226.82	1 847.00	1 780.70	249.30	2 030.00
		Charges doubled on Sundays & Public Holidays						
13.2.2		**Community Halls: Bisho, Breidbach, Dimbaza, Ginsberg, Ilitha, Schornville, Zwelitsha, Weir, Phakamisa & Ndevana**						
a		Commercial & Professional (events for economic gain, save charity)	1 421.05	198.95	1 620.00	1 561.40	218.60	1 780.00
b		Religious, Ceremonial, Charitable, Cultural (including weddings & funerals)	343.86	48.14	392.00	378.07	52.93	431.00
c		Political & Trade Unions	343.86	48.14	392.00	378.07	52.93	431.00
d		Social (including dances, private parties and fashion shows)	343.86	48.14	392.00	378.07	52.93	431.00
e		Sports events						
		Amateur	74.56	10.44	85.00	81.58	11.42	93.00
		Professional	320.18	44.82	365.00	351.75	49.25	401.00
f		Preparation & rehearsal	74.56	10.44	85.00	81.58	11.42	93.00
		Deposits	488.60	68.40	557.00	536.84	75.16	612.00
13.2.3		**Community Centres: Ilitha, Ginsberg (x2), Zwelitsha (x2), Phakamisa**						
a		Commercial & Professional (events for economic gain, save charity)	281.58	39.42	321.00	309.65	43.35	353.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b		Religious, Ceremonial, Charitable, Cultural (including weddings & funerals)	66 67	9 33	76 00	73 68	10 32	84 00
c		Political & Trade Unions	66 67	9 33	76 00	73 68	10 32	84 00
d		Social (including dances, private parties and fashion shows)	66 67	9 33	76 00	73 68	10 32	84 00
e		Sports Events						
		Amateur	22 81	3 19	26.00	25.44	3 56	29.00
		Professional	63 16	8 84	72 00	69 30	9 70	79.00
f		Preparation & rehearsal	22 81	3 19	26.00	25 44	3.56	29 00
		Deposits	102 63	14 37	117.00	113 16	15 84	129 00
g		Minor Rooms - per day	46.49	6 51	53.00	50 88	7 12	58.00
		Minor Rooms - per session	24 56	3 44	28.00	27 19	3.81	31.00
13.2.4		**Council Chambers and Committee Rooms**						
		Town Secretary's Department						
		Council Chambers & Committee Rooms						
a		Bisho Council Chamber	860 53	120 47	981 00	945 61	132 39	1 078.00
b		King William's Town Council Chamber	978 95	137.05	1 116.00	1 075 44	150.56	1 226.00
c		Committee Rooms	600 00	84.00	684.00	659 65	92 35	752 00
		NOTE: In the case where premises are required over the weekend, such event must be held during the day time and a double charge be payable.						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl.VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
14		**ENVIRONMENTAL SERVICES**						
14.1		**East London**						
14.1.1		**Hire of Plants and Charges for Decorations**						
a		Hire of Palms per day (Collected)	31 58	4 42	36 00	35 09	4 91	40.00
b		Package Deals (Collected)	550 00	77 00	627.00	604.39	84.61	689.00
		Selection of plants for one package deal consists of - 10 palms, 10 shrubs, 10 ferns and 10 small plants						
c		Reduction for schools	50 00%		50.00%	50.00%		50 00%
d		Palm Fronds - Per Frond	7 89	1 11	9.00	8.77	1 23	10.00
e		Civic Decorations						
e.1		Type: Full Stage (Mayoral)	3 565 79	499.21	4 065 00	3 918 42	548 58	4 467 00
e.2		Type: Dais and Entrances	2 296.49	321 51	2 618 00	2 523.68	353 32	2 877 00
e.3		Type: Dais Only	1 595 61	223.39	1 819.00	1 753.51	245.49	1 999.00
f		Christmas Trees - Cut (Mid November - Mid December)	-	-	-	-	-	-
14.1.2		**Use of Municipal Parks**						
a		Marina Glen - Court Cresent						
a.1		Service / Charitable Organisations and Clubs for fund raising purposes and competitions						
a.1.a		Use of the whole Glen -						
		- Per operational day	1 930 70	270 30	2 201 00	2 121 93	297 07	2 419.00
		- Per non-operational day	230 70	32 30	263 00	253.51	35.49	289 00
a.1.b		Use of portion of the Glen						
		Per operational day	568 42	79 58	648.00	624 56	87 44	712 00
		- Per non-operational day	162.28	22 72	185.00	178 07	24 93	203.00
a.2		Clubs / Associations for non fund raising events	191 23	26 77	218 00	210 53	29 47	240.00
a.3		Society per annum per member (Pensioners qualify for 50% discount)	91 23	12 77	104.00	100.00	14.00	114 00
a.4		Open Air Church Services, Sunday School & Private Picnics and other functions of a minor nature	80 70	11 30	92 00	88.60	12 40	101 00
b		Amusement Park Site - Court Crescent						
		Lease of site for Amusement Park -						
		- Per operational day	1 087 72	152 28	1 240.00	1 195 61	167 39	1 363.00
		- Per non-operational day	224 56	31 44	256 00	246 49	34 51	281 00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
c		James Pearce Park and Other Parks						
c.1		Fund raising events						
		Per operational day	220 18	30 82	251 00	242 11	33 89	276 00
		- Per non-operational day	78 95	11 05	90 00	86 84	12 16	99 00
		Non fund raising events						
c.2		Open Air Church Services, Sunday School & Private Picnics and other functions of a minor nature, including						
		Non-Championship Dog Shows	80.70	11 30	92.00	88.60	12 40	101.00
		Film Production (per six hour session or part thereof)	2 530 70	354.30	2 885.00	2 781 58	389.42	3 171.00
d		Ann Bryant Gardens / Queens Park Gardens						
d.1		- Photographs (By prior arrangement)	87 72	12 28	100 00	96 49	13 51	110.00
d 2		Refundable Depusit applicable to social gatherings subject to no damages less admin fee	1 492 11	208 89	1 701.00	1 639 47	229 53	1 869.00
d.3		- Weddings and other social events (per six hour session)	745 61	104 39	850.00	819 30	114 70	934 00
d.4		- Additional charge after six hours Per Hour	475 44	66 56	542 00	522 81	73 19	596 00
d.5		Admin Fee						
14.1.3		Lease of Municipal Open Space						
a		Commercial concerns - over 5 m x 5 m Minimum per day to be at the discretion of the Director of Community Services and to be dependant on the size of the area required	417 54	58 46	476 00	458 77	64 23	523.00
b		Individual traders - per day	191 23	26 77	218.00	210 53	29.47	240.00
		- per weekend	391 23	54 77	446.00	429 82	60 18	490.00
		per week	699 12	97 88	797 00	768 42	107 58	876.00
		Site up to 5m x 5m (no refund for non attendance)						
		Site smaller than 5m x 5m - Costs to be charged proportionately						
c		Fortune tellers per day	343.86	48 14	392 00	378 07	52 93	431 00
d		Vegetative Rehabilitation Fee Per Square Meter	1 043 86	146 14	1 190 00	1 147 37	160.63	1 308 00
e		Carpet Bed						
		Installation	2 293.86	321 14	2 615.00	2 521 05	352 95	2 874.00
		Maintenance per week (if plant material used)	194 74	27 26	222 00	214 04	29 96	244.00
f		Litter Deposits - Refundable less admin fee R 120						
		Litter Deposits required would be set at the discretion of the Director of Community Services depending on the size of the activity - refundable if the site is left in a satisfactory state less an administration fee of R 120						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
g		Removal of alien (eg. Wattle) species from approved areas for firewood per person	173.68	24.32	198.00	191.23	26.77	218.00
14.1.4		**Grazing Fees (per Month)**						
		East London Commonages Per Head	21.93	3.07	25.00	23.68	3.32	27.00
		Berlin Commonages (Residents Per Head)	-	-	-	-	-	-
		Berlin Commonages (Non-Residents Per Head)	23.68	3.32	27.00	26.32	3.68	30.00
		Maclean Town Commonages (Residents Per Head)						
		Maclean Town Commonages (Non-Residents Per Head)						
		Litter Deposits	159.65	22.35	182.00	175.44	24.56	200.00
		Removal of alter etc	193.86	27.14	221.00	213.16	29.84	243.00
14.1.5		**Pound Fees**						
a		- Schedule B						
		Transport fee for all animals delivered to the pound, whether one or more, per kilometre or portion of a Kilometre	36.84	5.16	42.00	40.35	5.65	46.00
b		- Schedule C						
		Trespass on Cultivated Land:-						
		- Horse, Mule, Ass, Cattle, Ostrich and Pig per head	164.04	22.96	187.00	180.70	25.30	206.00
		- Goat, Sheep per head	86.84	12.16	99.00	95.61	13.39	109.00
c		- Schedule D						
		Trespass on Uncultivated Land						
		- Horse, Mule, Ass, Cattle, Pig and Ostrich per Head	115.79	16.21	132.00	127.19	17.81	145.00
		- Goat, Sheep per Head	66.67	9.33	76.00	73.68	10.32	84.00
d		- Schedule E						
		Pound Fees (Per Head per day)						
		- Horse, Mule, Ass, Cattle, Pig and Ostrich	31.58	4.42	36.00	35.09	4.91	40.00
		Goat, Sheep	28.07	3.93	32.00	30.70	4.30	35.00
e		- Schedule F						
		Sustenance Fees (Per Head per day)						
		- Horse, Mule, Ass, Cattle, Pig and Ostrich	43.86	6.14	50.00	48.25	6.75	55.00
		- Goat, Sheep	31.58	4.42	36.00	35.09	4.91	40.00
f		- Schedule G						
		Separately herded (Per Head per day)						
		For every Stallion, Bull, Ostrich, Boar, Sheep Ram, Goat Ram or any other separated animal	233.33	32.67	266.00	256.14	35.86	292.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
14.2		**King William's Town**						
14.2.1		**Use of Municipal Parks**						
a		**Botanical Gardens**						
a.1		**Entrance Daily**						
		Adults						
		Children						
a.2		Photographs (By prior arrangement)	87 72	12 28	100.00	96.49	13.51	110.00
a.3		Refundable Deposit applicable to social gatherings subject to no damages less admin fee	1 492 11	208.89	1 701 00	1 639 47	229.53	1 869.00
a.4		Weddings and other social events (per six hour session)	745 61	104 39	850 00	819 30	114 70	934.00
a.5		Additional charge after six hours Per Hour	475 44	66 56	542 00	522 81	73 19	596.00
a 6		Admin Fee						
b		**Clubs, Associations And Non Fundraising (Also Open Air Churches)**	191 23	26 77	218 00	210 53	29 47	240 00
c		**Fundraising Events**						
		Per Operational Day	220 18	30 82	251 00	242 11	33 89	276.00
		Per Non Operational Day	78 95	11 05	90.00	86 84	12 16	99.00
d		**Amusement Park Site: Camilla Square**						
		Rental:						
		Per Operational Day	1 087 72	152 28	1 240.00	1 195 61	167 39	1 363.00
		Per Non Operational Day	224.56	31 44	256.00	246 49	34 51	281 00

Item	Code	Service	2014/15 Total R/cents Excl.VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl.VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
15		**CEMETERIES**						
15.1		**East London**						
15.1.1		**Cemeteries**						
		Standard charges apply: During normal working hours (08h00 - 15h00) Monday - Saturdays						
		ALL BOOKINGS FOR INTERMENTS MUST BE BOOKED AT THE CAMBRIDGE CEMETERY OFFICE NOT LESS THAN 12 WORKING HOURS BEFORE THE TIME OF THE INTERMENT						
a		**PRIVATE GRAVES, FULL MEMORIAL - ADULTS**						
a.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	278.95	39.05	318.00	306.14	42.86	349.00
		Interment	758.77	106.23	865.00	834.21	116.79	951.00
		Purchase	4 707.02	658.98	5 366.00	5 172.81	724.19	5 897.00
		Casket (Optional)	1 224.56	171.44	1 396.00	1 345.61	188.39	1 534.00
		Extra Depth (Optional)	1 224.56	171.44	1 396.00	1 345.61	188.39	1 534.00
		Reserve Space Purchase	5 148.25	720.75	5 869.00	5 657.89	792.11	6 450.00
a.2		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32.30	263.00	253.51	35.49	289.00
		Sunday	2 151.75	301.25	2 453.00	2 364.91	331.09	2 696.00
		Public Holiday	2 151.75	301.25	2 453.00	2 364.91	331.09	2 696.00
b		**CHILD GRAVES, FULL MEMORIAL**						
b.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	278.95	39.05	318.00	306.14	42.86	349.00
		Interment	384.21	53.79	438.00	421.93	59.07	481.00
		Purchase	2 165.79	303.21	2 469.00	2 379.82	333.18	2 713.00
		Casket (Optional)	576.32	80.68	657.00	633.33	88.67	722.00
		Extra Depth (Optional)	576.32	80.68	657.00	633.33	88.67	722.00
b.2		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32.30	263.00	253.51	35.49	289.00
		Sunday	2 151.75	301.25	2 453.00	2 364.91	331.09	2 696.00
		Public Holiday	2 151.75	301.25	2 453.00	2 364.91	331.09	2 696.00
c		**BERM BURIALS - HEADSTONE ONLY PERMITTED**						
c.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	278.95	39.05	318.00	306.14	42.86	349.00
		Interment	758.77	106.23	865.00	834.21	116.79	951.00
		Casket (Optional)	1 224.56	171.44	1 396.00	1 345.61	188.39	1 534.00
		Extra Depth (Optional)	1 224.56	171.44	1 396.00	1 345.61	188.39	1 534.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
c.2		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32.30	263.00	253.51	35.49	289 00
		Sunday	2 151 75	301.25	2 453.00	2 364 91	331 09	2 696.00
		Public Holiday	2 151 75	301 25	2 453.00	2 364 91	331.09	2 696 00
d		**STATE DISABILITY PENSIONERS INCOME BETWEEN R840-R1680**						
		Permit	278 95	39 05	318.00	306 14	42 86	349 00
		Interment	729.82	102 18	832.00	801 75	112 25	914.00
e		**CHILD BERM - HEADSTONE ONLY PERMITTED**						
e.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	278 95	39.05	318.00	306 14	42 86	349.00
		Interment	403.51	56.49	460.00	443 86	62 14	506.00
		Casket (Optional)	576.32	80 68	657.00	633 33	88.67	722.00
		Extra Depth (Optional)	576 32	80 68	657 00	633.33	88.67	722.00
e.2		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32.30	263 00	253 51	35.49	289.00
		Sunday	2 151 75	301.25	2 453.00	2 364 91	331 09	2 696.00
		Public Holiday	2 151 75	301 25	2 453.00	2 364 91	331 09	2 696 00
f		**PAUPERS**						
		Adult	989 47	138 53	1 128.00	1 087 72	152 28	1 240.00
		Child	494 74	69 26	564.00	543 86	76.14	620.00
g		**EXHUMATIONS**						
		Adult	4 432 46	620 54	5 053 00	4 871.05	681 95	5 553.00
		Child	2 420 18	338.82	2 759.00	2 659 65	372 35	3 032 00
h		**SPECIAL TRADITIONAL BURIALS RELIGEOUS SECTIONS: INTERMENT FEES ONLY - ADD 50%**	14 561 40	2 038.60	16 600 00	16 002.63	2 240 37	18 243.00
i		**INTERMENT OF ASHES**						
		Monday - Friday	624 56	87 44	712 00	685 96	96.04	782 00
		Saturday	1 094 74	153 26	1 248.00	1 203 51	168.49	1 372.00
		Sunday / Public Holiday	1 257 89	176 11	1 434.00	1 382 46	193 54	1 576.00
j		**OFFICE FEES**						
		Copies of Documents	96.49	13 51	110.00	106.14	14.86	121.00
		Transfer of Grave Space Ownership	465 79	65 21	531 00	512 28	71 72	584 00
		Permit to Erect Headstone	316 67	44 33	361 00	348 25	48 75	397 00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
k		**SURCHARGES**						
		Mondays - Saturdays after 15H30 - 18H00	100%		100%	100%		100%
		Sundays / Public Holidays after 15H30	400%		400%	400%		400%
		Late Arrival Fee	172.81	24.19	197.00	190.35	26.65	217.00
		Late Confirmation for Burials :-						
		- Saturdays after 12 Noon on the Preceeding Thursday	187.72	26.28	214.00	206.14	28.86	235.00
		- Mondays after 9 AM on the Preceeding Friday	187.72	26.28	214.00	206.14	28.86	235.00
l		**INTERMENT FEE - ONLY PERMITTED ON BURIALS WITHIN ELECTED RELIGIOUS SECTIONS OF THE CEMETERIES**						
15.1.2		**CREMATORIUM**						
a		**CREMATIONS**						
a.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Adult	1 878.07	262.93	2 141.00	2 064.04	288.96	2 353.00
		State Pensioner	941.23	131.77	1 073.00	1 034.21	144.79	1 179.00
		Pauper	792.11	110.89	903.00	870.18	121.82	992.00
		Casket / Oversize (Optional)	316.67	44.33	361.00	348.25	48.75	397.00
a.2		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32.30	263.00	253.51	35.49	289.00
		Sunday	5 638.60	789.40	6 428.00	6 196.49	867.51	7 064.00
		Public Holiday	5 638.60	789.40	6 428.00	6 196.49	867.51	7 064.00
b		**CHILDREN UNDER 12 YEARS**						
b.1		**WEEKDAYS: MONDAY - FRIDAY**						
		Child	941.23	131.77	1 073.00	1 034.21	144.79	1 179.00
		Pauper	393.86	55.14	449.00	432.46	60.54	493.00
b.2		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32.30	263.00	253.51	35.49	289.00
		Sunday	2 819.30	394.70	3 214.00	3 098.25	433.75	3 532.00
		Public Holiday	2 819.30	394.70	3 214.00	3 098.25	433.75	3 532.00
c		**WALL OF REMEMBRANCE**						
		Purchase of Single Memorial Tablet	1 392.98	195.02	1 588.00	1 530.70	214.30	1 745.00
		Purchase of Double Memorial Tablet	2 785.96	390.04	3 176.00	3 061.40	428.60	3 490.00
d		**BOOK OF REMEMBRANCE** (Maximum 5 lines)						
		Inscription per line	114.91	16.09	131.00	126.32	17.68	144.00
		Insertion of Badge	316.67	44.33	361.00	348.25	48.75	397.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
e		**GROUND ASH BURIALS** (Based on crematorium ground)						
		Purchase of Plot	2 621 93	367 07	2 989.00	2 881 58	403.42	3 285.00
		Interment of Ashes in Plot	316 67	44 33	361 00	348 25	48 75	397.00
		Permit to Erect Plaque on Plot	297 37	41 63	339.00	327 19	45.81	373.00
f		**SURCHARGES**						
f.1		Cremation After 15H00 Monday - Friday	100%		100%	100%		100%
f.2		Cremation on Sundays / Public Holidays during the hours of 08H00 - 15H00 will only be permitted in exceptional circumstances, at the discretion of the Manager	200%		200%	200%		200%
f.3		Late Arrival Fee (per every 15 Minutes late)	172 81	24 19	197.00	190 35	26 65	217.00
f.4		Cremations commencing at 13H30, the remains will not be available for collection on the same day of the cremation						
f.5		Same day ashes, provided the cremation is performed between 08H00 - 11H30	360 53	50 47	411 00	396 49	55 51	452.00
f.6		No collection of ashes will be permitted on weekends or public holidays						
f.7		**NO CREMATIONS ON GOOD FRIDAY AND CHRISTMAS DAY**						
f.8		Hire of Chapel without cremation	360 53	50 47	411 00	396 49	55 51	452.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
15.2		**King Williams Town**						
15.2.1		**ADULTS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34 26	279.00	269 30	37 70	307.00
		Interment Fee	758 77	106 23	865.00	834.21	116 79	951.00
		Single Plot	508 77	71 23	580.00	558 77	78.23	637.00
		Double Plot	979 82	137 18	1 117.00	1 077 19	150 81	1 228 00
		Casket (Optional)	436 84	61 16	498.00	479 82	67 18	547 00
		Extra Depth (Optional)	436 84	61 16	498.00	479 82	67 18	547 00
b		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32 30	263.00	253 51	35.49	289.00
		Sunday	801 75	112 25	914.00	880 70	123 30	1 004 00
		Public Holiday	801 75	112 25	914.00	880 70	123.30	1 004 00
15.2.2		**CHILDREN UNDER 12 YEARS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34.26	279 00	269 30	37 70	307.00
		Interment Fee	345.61	48.39	394 00	379.82	53 18	433.00
		Single Plot	436 84	61 16	498 00	479 82	67 18	547 00
		Casket (Optional)	436 84	61 16	498 00	479 82	67 18	547.00
		Extra Depth (Optional)	436.84	61 16	498 00	479.82	67 18	547.00
b		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32 30	263.00	253.51	35.49	289.00
		Sunday	801 75	112.25	914.00	880 70	123 30	1 004.00
		Public Holiday	801 75	112 25	914.00	880.70	123.30	1 004.00
15.2.3		**WALL OF REMEMBERANCE**						
		Sale of Niche Memorial	542 98	76.02	619.00	596.49	83.51	680.00
15.2.4		**NOTE: OWING TO THE MUSLIM COMMUNITY'S REQUIREMENT THAT THEY PREPARE THEIR OWN GRAVES, THE ABOVEMENTIONED INTERMENT WILL BE HALVED**						
15.2.5		**BREIDBACH - ADULTS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34 26	279 00	269 30	37 70	307.00
		Interment Fee	686 84	96 16	783.00	755.26	105 74	861 00
		Single Plot	432 46	60.54	493.00	475.44	66 56	542.00
		Double Plot	807.02	112 98	920.00	886 84	124 16	1 011.00
		Casket (Optional)	326 32	45.68	372 00	358 77	50 23	409.00
		Extra Depth (Optional)	326 32	45.68	372 00	358.77	50 23	409.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
b		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32 30	263 00	253 51	35.49	289 00
		Sunday	801 75	112 25	914.00	880 70	123.30	1 004.00
		Public Holiday	801 75	112 25	914 00	880 70	123.30	1 004.00
15.2.6		**BREIDBACH - CHILDREN UNDER 12 YEARS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34.26	279.00	269 30	37 70	307 00
		Interment Fee	312 28	43 72	356.00	342 98	48.02	391 00
		Single Plot	341 23	47 77	389.00	375 44	52 56	428 00
		Casket (Optional)	341 23	47 77	389 00	375 44	52 56	428 00
		Extra Depth (Optional)	341 23	47 77	389.00	375.44	52 56	428.00
b		**SURCHARGES - WEEKENDS**						
		Saturday	230 70	32 30	263.00	253.51	35.49	289.00
		Sunday	801 75	112 25	914 00	880 70	123.30	1 004.00
		Public Holiday	801 75	112 25	914 00	880 70	123.30	1 004.00
15.3		**Ginsberg, Dimbaza, Zwelitsha, Phakamisa, Ilitha & Bisho**						
15.3.1		**ADULTS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34 26	279.00	269 30	37 70	307 00
		Interment Fee	663 16	92 84	756.00	728 95	102 05	831 00
		Single Plot	360 53	50 47	411 00	396.49	55.51	452 00
		Double Plot	667.54	93 46	761 00	733 33	102 67	836.00
		Casket (Optional)	312.28	43 72	356.00	342 98	48 02	391 00
		Extra Depth (Optional)	312.28	43 72	356 00	342 98	48.02	391 00
b		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32 30	263 00	253.51	35.49	289.00
		Sunday	801 75	112.25	914.00	880 70	123.30	1 004.00
		Public Holiday	801 75	112 25	914 00	880 70	123 30	1 004 00
15.3.2		**CHILDREN UNDER 12 YEARS**						
a		**WEEKDAYS: MONDAY - FRIDAY**						
		Permit	244 74	34.26	279 00	269 30	37 70	307 00
		Interment Fee	312 28	43.72	356.00	342 98	48.02	391.00
		Single Plot	211.40	29 60	241.00	232 46	32 54	265.00
		Casket (Optional)	312 28	43.72	356.00	342 98	48 02	391 00
		Extra Depth (Optional)	312 28	43 72	356 00	342 98	48 02	391 00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
b		**SURCHARGES - WEEKENDS**						
		Saturday	230.70	32.30	263.00	253.51	35.49	289.00
		Sunday	801.75	112.25	914.00	880.70	123.30	1 004.00
		Public Holiday	801.75	112.25	914.00	880.70	123.30	1 004.00
15.3.3		**EXHUMATIONS**						
		Adult	2 685.09	375.91	3 061.00	2 950.88	413.12	3 364.00
		Child	1 738.60	243.40	1 982.00	1 910.53	267.47	2 178.00
15.3.4		**PAUPERS**						
		Adult	600.00	84.00	684.00	659.65	92.35	752.00
		Child	250.00	35.00	285.00	274.56	38.44	313.00
15.3.5		**OFFICE FEES**						
		Certified Extract from Burial Register	71.93	10.07	82.00	78.95	11.05	90.00
		Preparing & Issuing of Title to Exclusive Right of Burial on Grave Plot	114.91	16.09	131.00	126.32	17.68	144.00
		Examining Register	96.49	13.51	110.00	106.14	14.86	121.00
		Exchanging Plots	254.39	35.61	290.00	279.82	39.18	319.00
15.3.6		**MACLEANTOWN**						
		Interments	518.42	72.58	591.00	570.18	79.82	650.00
		Purchase	28.95	4.05	33.00	31.58	4.42	36.00
15.3.7		**INTERMENT OF ASHES IN EXISTING GRAVE**	168.42	23.58	192.00	185.09	25.91	211.00
		NOTE: **FOR ALL AREAS NOT CLASSIFIED ON THE TARIFF BOOK THAT FALL UNDER COASTAL OR MIDLAND AREAS, THE EAST LONDON TARIFFS WILL BE APPLIED, AND FOR THE INLAND AREAS, KING WILLIAM'S TOWN TARIFFS WILL BE APPLIED**						

Item	Code	Service	2014/15 Total - R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
16		**LIBRARY ACTIVITY ROOM CHARGES**						
16.1		**Deposits**						
		Library	345.61	48.39	394.00	379.82	53.18	433.00
		Visitors - Non Fiction	480.70	67.30	548.00	528.07	73.93	602.00
		Visitors - Fiction	240.35	33.65	274.00	264.04	36.96	301.00
		Creches	528.07	73.93	602.00	580.70	81.30	662.00
16.2		**Subscriptions**						
		Adult	120.18	16.82	137.00	132.46	18.54	151.00
		Children / Pensioners	57.89	8.11	66.00	64.04	8.96	73.00
		Family (Max 5 members)	240.35	33.65	274.00	264.04	36.96	301.00
16.3		**Library Charges**						
		Photocopies A4 Library Material	0.48	0.07	0.55	0.53	0.07	0.60
		Photocopies A3 Library Material	0.96	0.13	1.10	1.06	0.15	1.21
		Reservation Fees	9.65	1.35	11.00	10.53	1.47	12.00
		Lost Library Cards	33.33	4.67	38.00	36.84	5.16	42.00
		Lost Book - plastic covers	9.65	1.35	11.00	10.53	1.47	12.00
		Lost Date Slips / Account Card Holders	9.65	1.35	11.00	10.53	1.47	12.00
		Overnight Loans (per hour)	9.65	1.35	11.00	10.53	1.47	12.00
		Inter Library Loans National = Handling Fee plus Postage						
		Inter Library Loans Local = Handling Fee plus Postage						
		Damaged or Lost Material - Replacement Value to be charged						
16.4		**Fines (per day)**						
		Adult	0.53	0.07	0.60	0.58	0.08	0.66
		Juvenile	0.04	0.01	0.05	0.04	0.01	0.05
		Video fines (per day)	8.77	1.23	10.00	9.65	1.35	11.00
		Maximum Fines (per book)						
		Adult	31.58	4.42	36.00	35.09	4.91	40.00
		Juvenile	6.14	0.86	7.00	7.02	0.98	8.00
16.5		**Activity Rooms**						
16.5.1		**Gompo**						
		- Mornings	78.95	11.05	90.00	86.84	12.16	99.00
		- Afternoons	78.95	11.05	90.00	86.84	12.16	99.00
16.5.2		**Beacon Bay**						
a		**- Profit Making Organisation**						
		Big Activity Room	269.30	37.70	307.00	295.61	41.39	337.00
		Small Activity Room	129.82	18.18	148.00	142.98	20.02	163.00
		Kitchen	110.53	15.47	126.00	121.05	16.95	138.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b		- Non Profit Making Organisation						
		Big Activity Room	77.19	10.81	88.00	85.09	11.91	97.00
		Small Activity Room	52.63	7.37	60.00	57.89	8.11	66.00
		Kitchen	52.63	7.37	60.00	57.89	8.11	66.00
16.5.3		Gonubie						
a		- Profit Making Organisation						
		- Per Morning	105.26	14.74	120.00	115.79	16.21	132.00
		- Per Afternoon	105.26	14.74	120.00	115.79	16.21	132.00
		- Per Evening	211.40	29.60	241.00	232.46	32.54	265.00
b		- Non Profit Making Organisation						
		- Per Morning	77.19	10.81	88.00	85.09	11.91	97.00
		- Per Afternoon	77.19	10.81	88.00	85.09	11.91	97.00
		- Per Evening	168.42	23.58	192.00	185.09	25.91	211.00
16.5.4		King Williams Town						
		- Group Activity Room	288.60	40.40	329.00	317.54	44.46	362.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
17		**WASTE MANAGEMENT**						
17.1		**All Areas**						
17.1.1		**Removal and Disposal of Domestic Refuse**						
a		**Door to Door collection** **Domestic** For the weekly removal of 2 x 85 litre loads, or part thereof of domestic refuse from any private dwelling or flat, paid monthly	156 14	21 86	178 00	171 05	23 95	195 00
b		**Container Collection** Where no door to door service is provided and containers are placed at strategic points, the tariff per consumer shall be per month No bags will be provided and the container will be emptied once per week	78 07	10 93	89 00	85 09	11 91	97 00
17.1.2		**Removal and Disposal of Garden and / or Bulky Refuse**						
		Garden Minimum charge	253 51	35.49	289 00	277 19	38 81	316.00
		Plus a charge per cubic metre	123 68	17 32	141 00	135 09	18 91	154.00
17.1.3		**Rental of 6M³ Bulk Refuse Containers for Private use** The service shall be per container and clearance. All charges shall be paid in advance	631 58	88.42	720 00	691 23	96 77	788 00
17.1.4		**Removal and Disposal of Refuse from Properties Exempt from Municipal Rates, e.g. Schools, Churches.** The charge for the weekly removal of 2 x 85 litre loads, or part thereof, of any refuse from properties exempt from Municipal Rates, shall be per month or part thereof, provided that if bulk refuse containers are used in place of approved refuse bins or bin liners, the charge applicable to the type of container in use, shall apply	156 14	21 86	178 00	171 05	23 95	195 00
17.1.5		**Removal and Disposal of Trade and Industrial Refuse**						
a.1		**Bins (85 litre capacity)**						
a.1.a		**Twice Weekly Removal** The Charge shall be per month, or part thereof, for the removal of each 85 litre bin load	353 51	49 49	403 00	386 84	54 16	441 00
a.1.b		**Three Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 85 litre bin load	529 82	74 18	604 00	579 82	81 18	661 00
a.1.c		**Four Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 85 litre bin load.	706 14	98 86	805 00	772 81	108 19	881 00
a.1.d		**Five Times a Week Removal** The Charge shall be per month, or part thereof for the removal of each 85 litre bin load	881 58	123 42	1 005 00	964 91	135 09	1 100.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
a.2		**Bins (240 litre capacity)**						
a.2.a		**Once Weekly Removal** The Charge shall be per month, or part thereof, for the removal of each 240 litre bin load.	497.37	69.63	567.00	544.74	76.26	621.00
a.2.b		**Twice Weekly Removal** The Charge shall be per month, or part thereof, for the removal of each 240 litre bin load.	994.74	139.26	1 134.00	1 089.47	152.53	1 242.00
a.2.c		**Three Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 240 litre bin load.	1 492.11	208.89	1 701.00	1 634.21	228.79	1 863.00
a.2.d		**Four Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 240 litre bin load.	1 989.47	278.53	2 268.00	2 178.07	304.93	2 483.00
a.2.e		**Five Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 240 litre bin load.	2 486.84	348.16	2 835.00	2 722.81	381.19	3 104.00
a.3		**Bins (420 litre capacity)**						
a.3.a		**Once Weekly Removal** The Charge shall be per month, or part thereof, for the removal of each 420 litre bin load.	869.30	121.70	991.00	951.75	133.25	1 085.00
a.3.b		**Twice Weekly Removal** The Charge shall be per month, or part thereof, for the removal of each 420 litre bin load.	1 737.72	243.28	1 981.00	1 902.63	266.37	2 169.00
a.3.c		**Three Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 420 litre bin load.	2 607.89	365.11	2 973.00	2 855.26	399.74	3 255.00
a.3.d		**Four Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 420 litre bin load.	3 479.82	487.18	3 967.00	3 810.53	533.47	4 344.00
a.3.e		**Five Times a Week Removal** The Charge shall be per month, or part thereof, for the removal of each 420 litre bin load.	4 346.49	608.51	4 955.00	4 759.65	666.35	5 426.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
b.1		**Containers** (Sprico type 1 1M³ capacity)						
		The Rental per month of part thereof	706.14	98.86	805.00	772.81	108.19	881.00
		If no SPRICO is available, the customer to be charged only the service fee						
b.1.a		**Once Weekly Removal**	595.61	83.39	679.00	652.63	91.37	744.00
		The Charge shall be per month, or part thereof, for the removal of each 1 1M³ bin load						
b.1.b		**Twice Weekly Removal**	1 187.72	166.28	1 354.00	1 300.88	182.12	1 483.00
		The Charge shall be per month, or part thereof, for the removal of each 1 1M³ bin load						
b.1.c		**Three Times a Week Removal**	1 785.96	250.04	2 036.00	1 955.26	273.74	2 229.00
		The Charge shall be per month, or part thereof, for the removal of each 1 1M³ bin load						
b.1.d		**Four Times a Week Removal**	2 376.32	332.68	2 709.00	2 601.75	364.25	2 966.00
		The Charge shall be per month, or part thereof, for the removal of each 1 1M³ bin load						
b.1.e		**Five Times a Week Removal**	2 970.18	415.82	3 386.00	3 252.63	455.37	3 708.00
		The Charge shall be per month, or part thereof, for the removal of each 1 1M³ bin load						
b.2		**Containers** (Sprico type 0 77M³ capacity)						
		The Rental per month of part thereof	493.86	69.14	563.00	540.35	75.65	616.00
		If no SPRICO is available, the customer to be charged only the service fee						
b.2.a		**Once Weekly Removal**	416.67	58.33	475.00	456.14	63.86	520.00
		The Charge shall be per month, or part thereof, for the removal of each 0 77M³ bin load						
b.2.b		**Twice Weekly Removal**	832.46	116.54	949.00	911.40	127.60	1 039.00
		The Charge shall be per month, or part thereof, for the removal of each 0 77M³ bin load						
b.2.c		**Three Times a Week Removal**	1 250.00	175.00	1 425.00	1 368.42	191.58	1 560.00
		The Charge shall be per month, or part thereof, for the removal of each 0 77M³ bin load						
b.2.d		**Four Times a Week Removal**	1 664.04	232.96	1 897.00	1 821.93	255.07	2 077.00
		The Charge shall be per month, or part thereof, for the removal of each 0 77M³ bin load						
b.2.e		**Five Times a Week Removal**	2 081.58	291.42	2 373.00	2 278.95	319.05	2 598.00
		The Charge shall be per month, or part thereof, for the removal of each 0 77M³ bin load						
c		**For the supply and servicing of each industrial type 6M³ container, the charge shall be:-**						
		A rental per month or part thereof	614.04	85.96	700.00	672.81	94.19	767.00
		A service charge per clearance	844.74	118.26	963.00	924.56	129.44	1 054.00
		A minimum charge will be levied on premises who do not request a service during one specific month	1 457.02	203.98	1 661.00	1 595.61	223.39	1 819.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
d		**Compacted or Shredded Refuse** The removal charge for stationary compactors shall be per M³ based on the volume of the containers	188.60	26.40	215.00	206.14	28.86	235.00
e		An availability charge equal to that levied for the weekly removal of 2 x 85 litre loads of trade or industrial refuse shall be levied on every separate trade, industrial or professional entity. In the case of a body corporate, the Directorate of Community Services shall be responsible to determine the minimum service required and such body corporate be charged accordingly. (Excludes flats, townhouses, etc.)	353.51	49.49	403.00	386.84	54.16	441.00
f		Charges for services rendered under this heading shall be the liability of the owner of the premises, except where a container is required on a temporary basis when the user or the persons requesting the service shall be liable.						
g		An occupier of any premises may negotiate a refuse removal or any other cleansing service on his own behalf, at the discretion of the Head of the Department, in which case such occupier shall be responsible for the payment of all charges.						
h		Charges under this heading shall be payable as follows:- Service shall be paid monthly in arrears						
i		In the case where any charge made or levied shall remain unpaid after one (1) month from the date fixed by the Council for the payment thereof, interest thereon shall be charged and recovered by the time in terms of Sect 64(2)(g) of the Municipal Finance Management Act (Act 56 of 2003) for each month for which such charge remains unpaid. For the purpose of calculating interest, part of a month shall be deemed to be a month.						
j		All Government Educational Schools shall pay the same tariffs as stipulated in the tariff structure, with the exception that they should pay for 9 months per annum to compensate for holiday periods where no services are rendered due to the non-generation of refuse over these periods.						
17.1.6		**Disposal of Refuse not Removed by Council** For the disposal of any refuse not collected or removed by the Council but deposited on a Municipal Refuse Disposal Site, the charge shall be per M³, or part thereof, for uncompacted refuse, and per M³, or part thereof, for compacted or shredded refuse.	106.77 143.86	15.23 20.14	124.00 164.00	119.30 157.89	16.70 22.11	136.00 180.00
17.1.7 a		**Removal or Disposal of Animal Carcasses** For carcasses removed by Council the charge shall be:- **Cats and Dogs etc.** Charge per small carcass **Cattle, Horses etc.** Charge per large carcass	 115.79 380.70	 16.21 53.30	 132.00 434.00	 127.19 416.67	 17.81 58.33	 145.00 475.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
b		For carcasses delivered to the disposal site the charge shall be :-						
		per small carcass e.g. sheep, goats,dogs and cats	55.26	7.74	63.00	60.53	8.47	69.00
		per large carcass e.g. cattle and horses	139.47	19.53	159.00	152.63	21.37	174.00
		Charges under this heading shall be paid in advance except that registered veterinarians may arrange payment monthly in arrears						
17.1.8		**Removal and Disposal of Motor Wrecks**						
a		For disposal only the charge shall be per wreck	180.70	25.30	206.00	198.25	27.75	226.00
b		For removal and disposal the charge shall be per wreck	353.51	49.49	403.00	386.84	54.16	441.00
17.1.9		**Destruction Charges**						
		For destruction of condemned foodstuff, confidential documents or other waste material demanding immediate destruction, the charge shall be per M^3 or part thereof	131.58	18.42	150.00	143.86	20.14	164.00
17.20		**Weighbridge - East London Regional Waste Disposal Site**						
		For the disposal of any refuse not collected or removed by the Council but deposited on a Municipal Refuse Disposal Site, the charge shall be per ton	189.47	26.53	216.00	207.89	29.11	237.00

Item	Code	Service	2014/15 Total R/cents Excl.VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl.VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
18		**CITY HEALTH DEPARTMENT**						
18.1		**Child Care Section**						
18.1.1		Basic educare orientation courses for operators and staff of day care centres. Recovery of expenditure on printing, paints, glue, stationery, etc.	384.21	53.79	438.00	421.93	59.07	481.00
18.1.2		Operators and staff of day care centres based in informal settlements or where children's fees are less than R70 per month.	225.44	31.56	257.00	247.37	34.63	282.00
18.2		**Pest Control Section**						
18.2.1		Various services. Pest Control Services relate to the control of pests on the municipal common property and service systems.						
18.2.2		The service is limited to municipal departments and indigent residents other than in the case of the control of bees and mosquitoes where all residents are serviced. Private pest control firms are available for normal residents / business.						
18.2.3		Households earning less than twice the amount of the Government Old Age Grant per month, qualify for services as an indigent. Proof of earnings must be submitted to the City Health Department on application.						
18.2.4		**Pest Control** (Charges have been calculated at cost)						
a		**Eradication of bee swarms per swarm**	249.12	34.88	284.00	273.68	38.32	312.00
b		**Disinfestation of ticks in yard areas** Areas less than 1000m^2 (Standard Tariff) Areas larger than 1000m^2 = Standard Tariff plus per square meter	330.70	46.30	377.00	363.16	50.84	414.00
c		**Destruction of rodents on premises** Service Fee Bait fee per 100g unit	153.51 22.81	21.49 3.19	175.00 26.00	168.42 25.44	23.58 3.56	192.00 29.00
d		**Disinfestation against cockroaches, fleas and bugs** Service Fee Insecticide fee per 330 ml unit	153.51 111.40	21.49 15.60	175.00 127.00	168.42 122.81	23.58 17.19	192.00 140.00
e		**Control of mosquitoes**	94.74	13.26	108.00	104.39	14.61	119.00
f		**Admin fee for cleaning of privately owned land**	94.74	13.26	108.00	104.39	14.61	119.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
19		**FIRE & EMERGENCY SERVICES**						
19.1		**Attending to Fires & Emergencies**						
19.1.1		**Rates per hour per vehicles (inclusive of staff and equipment where the availability levy is not paid)**						
		Major Fire Vehicles	1 522 81	213 19	1 736.00	1 673 68	234 32	1 908.00
		Medium Fire Vehicles	759.65	106 35	866 00	835.09	116.91	952.00
		Service Fire Vehicles	395.61	55 39	451 00	435 09	60.91	496 00
19.1.2		**Additional Personnel per hour (other than included above)**						
		Officers	255 26	35 74	291 00	280 70	39 30	320.00
		Firemen	147 37	20 63	168.00	162 28	22 72	185.00
19.1.3		**Consumable Materials (in addition to above)**						
		Cost plus	30%		30%	30%		30%
19.1.4		Veld Fires						
		Outside Municipal area (per hour)	385 96	54 04	440 00	424 56	59 44	484 00
19.1.5		Fire Hydrant Levies						
		(Based on the same tariff levels as the water tariff structures)						
		0 - 6 kl	10.53	1 47	12 00	11 40	1 60	13 00
		7 - 10 kl	10.53	1 47	12 00	11 40	1 60	13 00
		11 - 20 kl	12.28	1 72	14.00	13.16	1 84	15.00
		21 - 30 kl	19.30	2 70	22.00	21 05	2 95	24.00
		31 + kl	22 81	3 19	26 00	25.44	3.56	29.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
19.2		**Training Courses (prices reflected are per candidate)**						
		Basic Fire Training	263.16	36.84	300.00	289.47	40.53	330.00
		Fire Marshal	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Basic Breathing Apparatus	1 177.19	164.81	1 342.00	1 293.86	181.14	1 475.00
		Firefighter 1	10 806.14	1 512.86	12 319.00	11 876.32	1 662.68	13 539.00
		Firefighter 2	5 071.93	710.07	5 782.00	5 573.68	780.32	6 354.00
		Fire Officer 1	5 071.93	710.07	5 782.00	5 573.68	780.32	6 354.00
		Fire Instructors	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Advanced Breathing Apparatus	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Light / Rescue Recovery	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Pump Operators	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Hazmat Refresher [1 day]	505.26	70.74	576.00	555.26	77.74	633.00
		Hazmat Awareness [3 day]	1 009.65	141.35	1 151.00	1 109.65	155.35	1 265.00
		Hazmat Operations [4 day]	1 513.16	211.84	1 725.00	1 663.16	232.84	1 896.00
		Chloride Handling [2 day]	1 009.65	141.35	1 151.00	1 109.65	155.35	1 265.00
		Emergency Vehicle Driving	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Aerial Appliance	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Ship + Aircraft Firefighting	2 571.93	360.07	2 932.00	2 826.32	395.68	3 222.00
		Class IV Emergency Diving	10 761.40	1 506.60	12 268.00	11 827.19	1 655.81	13 483.00
		Class IV Emergency Dive Supervisor	9 233.33	1 292.67	10 526.00	10 147.37	1 420.63	11 568.00
		Hiring of Lecture Room [less than 5 hours / per hour]	255.26	35.74	291.00	280.70	39.30	320.00
		Hiring of Lecture Room and Facilities (per day)	1 201.75	168.25	1 370.00	1 321.05	184.95	1 506.00
		Accommodation facility (per night)	147.37	20.63	168.00	162.28	22.72	185.00
		Hiring of auditorium including equipment, excluding consumables	3 676.32	514.68	4 191.00	4 040.35	565.65	4 606.00
19.3		**Testing and Repairs to fire Hose**						
		Pressure Testing Hose, per length	66.67	9.33	76.00	73.68	10.32	84.00
		Patching Hose, per patch	51.75	7.25	59.00	57.02	7.98	65.00
19.4		**Binding Of Couplings (Price is per pair)**						
		Fire Hose - 38 mm	54.39	7.61	62.00	59.65	8.35	68.00
		Fire Hose - 45 mm	61.40	8.60	70.00	67.54	9.46	77.00
		Fire Hose - 65 mm	66.67	9.33	76.00	73.68	10.32	84.00
19.5		**Fire Levy (per month)**						
		Domestic	33.33	4.67	38.00	36.84	5.16	42.00
		Non Domestic						
		Small Power users (Scale 2)	57.89	8.11	66.00	64.04	8.96	73.00
		Industrial / Commercial - Large Power Users (Scale 3)	188.60	26.40	215.00	207.02	28.98	236.00
		Vacant Properties	38.60	5.40	44.00	42.11	5.89	48.00
		Charging of Cylinders [per cylinder]	36.84	5.16	42.00	40.35	5.65	46.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
19.6		**Traffic Services**						
		Parking Meters (per hour)	8 77	1 23	10.00	9 65	1 35	11.00
		Towing Fees	553 51	77 49	631 00	607 89	85.11	693.00
		Towing Fees (Private Recovery vehicle) Tariff Plus	111 40	15 60	127 00	122 81	17 19	140.00
		Storage Fees (per day)	54 39	7 61	62 00	59.65	8 35	68.00
		Traffic Officer per hour (Monday to Saturday)	100 00	14.00	114.00	109.65	15 35	125.00
		Traffic Officer per hour (Sunday and Public Holidays)	119.30	16 70	136.00	130 70	18 30	149.00
		Patrol Vehicle per km	8 77	1 23	10.00	9.65	1 35	11.00
19.7		**Hawkers Fees**						
		Hawkers application fee	171 93	24 07	196.00	188.60	26.40	215.00
		Annual cleansing fee charge per annum	185.09	25 91	211 00	203 51	28.49	232.00
		Issue of identity card	52 63	7 37	60.00	57 89	8 11	66.00
		Release of impounded goods	274 56	38 44	313.00	301 75	42 25	344.00
19.8		**Business Licenses (Formal Business)**	980.00		980 00	1 077 00		1 077 00
20		**ADMINISTRATION CHARGE-OUT TARIFFS**						
20.1		**Litter Deposit**						
		Events such as fun runs, races, big walks and marathons - A deposit is paid of which R50.00 is refunded once the Council is satisfied that the organisation has cleaned up all the litter generated as a result of that particular event.	314 04	43 96	358.00	344.74	48.26	393 00
		In addition, an amount is payable at the Traffic Dept for application & administration fee	113 16	15.84	129.00	124 56	17 44	142.00
20.2		**Advertisements on Newspapers**						
		A deposit is paid - (road and beach closures)	1 555 26	217 74	1 773.00	1 709 65	239 35	1 949.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
21		**DEVELOPMENT PLANNING TARIFF FEES**						
21.1		**Application for consent**						
		Application fees	1 841.23	257.77	2 099.00	2 023.68	283.32	2 307.00
21.2		**Application for rezoning**						
21.2.1		Erven 0 - 2500 m²	1 962.28	274.72	2 237.00	2 156.14	301.86	2 458.00
21.2.2		Erven 2501 - 5 000 m²	3 678.07	514.93	4 193.00	4 042.11	565.89	4 608.00
21.2.3		Erven 5001 - 10 000 m²	7 357.89	1 030.11	8 388.00	8 085.96	1 132.04	9 218.00
21.2.4		Erven 1 ha - 5 ha	9 808.77	1 373.23	11 182.00	10 779.82	1 509.18	12 289.00
21.2.5		Erven over 5 ha	12 261.40	1 716.60	13 978.00	13 475.44	1 886.56	15 362.00
21.2.6		Advertising fees	2 450.88	343.12	2 794.00	2 693.86	377.14	3 071.00
21.3		**Application for departure from building lines and Spaza Shop application fees**						
21.3.1		Erven smaller than 500m²	201.75	28.25	230.00	221.93	31.07	253.00
21.3.2		Erven 500 - 750m²	391.23	54.77	446.00	429.82	60.18	490.00
21.3.3		Erven larger than 750m²	781.58	109.42	891.00	858.77	120.23	979.00
21.3.4		Departures other than building lines and spaza shops	1 841.23	257.77	2 099.00	2 023.68	283.32	2 307.00
21.3.5		Advertising fee for temporary departures	2 406.14	336.86	2 743.00	2 644.74	370.26	3 015.00
21.4		**Application for subdivision - application fees**						
21.4.1		Basic Fee	1 341.23	187.77	1 529.00	1 473.68	206.32	1 680.00
21.4.2		Charge per subdivision (Remainder considered a subdivision)	121.93	17.07	139.00	134.21	18.79	153.00
21.5		**Application for removal of restriction**						
		Advertisement fees	8 581.58	1 201.42	9 783.00	9 431.58	1 320.42	10 752.00
21.6		**Application for Cell Mast (per application)**	3 678.07	514.93	4 193.00	4 042.11	565.89	4 608.00
21.7		**Sale or Lease of Land**						
21.7.1		Application fees (Refundable Deposit)	1 347.37	188.63	1 536.00	1 480.70	207.30	1 688.00
21.7.2		Advertising fee (Recoverable cost against Survey and Advertising)	8 471.05	1 185.95	9 657.00	9 309.65	1 303.35	10 613.00
21.7.3		Tender Application fee	60.53	8.47	69.00	66.67	9.33	76.00
21.7.4		Specialised Tenders	978.95	137.05	1 116.00	1 075.44	150.56	1 226.00
21.8		**Zoning Certificate**	54.39	7.61	62.00	59.65	8.35	68.00
21.9		**Extension of Time**	301.75	42.25	344.00	331.58	46.42	378.00
21.10		**Amendments to existing subdivisions and rezonings**	1 347.37	188.63	1 536.00	1 480.70	207.30	1 688.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT incl.
21.11		**Spacial Development Framework Documents - CD**						
		Town Planning Scheme - Document	787 72	110 28	898.00	865 79	121.21	987.00
		Town Planning Scheme - CD	157 89	22 11	180.00	173.68	24 32	198.00
21.11.1		**Survey Department - Drawing Office search fees**						
		Enquiries - rate per ½ hour	34 21	4 79	39.00	37 72	5.28	43.00
		Photostats per copy - A4	7 02	0.98	8.00	7.89	1 11	9.00
		Photostats per copy - A3	7.02	0.98	8.00	7.89	1 11	9.00
		Photostats per copy - A1	38.60	5.40	44.00	42 11	5 89	48.00
21.11.2		**Maps & Plans**						
		A4 Size						
		LINE DRAWING (i.e. cadastral, incl. or excl. contours)	19.30	2 70	22.00	21 05	2 95	24.00
		ARCGIS DRAWING (i.e. line drawing with colour)	31.58	4.42	36.00	35.09	4.91	40.00
		AERIAL PHOTO (i.e. colour aerial view, incl. or excl. cad / contours)	88.60	12 40	101 00	97 37	13.63	111 00
		A3 Size						
		LINE DRAWING (i.e. cadastral, incl. or excl. contours)	28.07	3 93	32.00	30.70	4.30	35.00
		ARCGIS DRAWING (i.e. line drawing with colour)	50.00	7 00	57.00	55.26	7 74	63.00
		AERIAL PHOTO (i.e. colour aerial view, incl. or excl. cad / contours)	142 11	19.89	162 00	156 14	21 86	178.00
		A2 Size						
		LINE DRAWING (i.e. cadastral, incl. or excl. contours)	47 37	6.63	54.00	51 75	7.25	59 00
		ARCGIS DRAWING (i.e. line drawing with colour)	77 19	10 81	88.00	85.09	11 91	97.00
		AERIAL PHOTO (i.e. colour aerial view, incl. or excl. cad / contours)	230 70	32 30	263.00	253 51	35 49	289.00
		A1 Size						
		LINE DRAWING (i.e. cadastral, incl. or excl. contours)	76 32	10.68	87 00	84 21	11 79	96.00
		ARCGIS DRAWING (i.e. line drawing with colour)	125.44	17 56	143.00	137 72	19.28	157 00
		AERIAL PHOTO (i.e. colour aerial view, incl. or excl. cad / contours)	371 05	51 95	423.00	407 89	57 11	465.00
		A0 Size						
		LINE DRAWING (i.e. cadastral, incl. or excl. contours)	117 54	16.46	134.00	128 95	18.05	147.00
		ARCGIS DRAWING (i.e. line drawing with colour)	199 12	27 88	227.00	218.42	30 58	249 00
		AERIAL PHOTO (i.e. colour aerial view, incl. or excl. cad / contours)	589 47	82 53	672 00	648 25	90 75	739 00
		Paper prints						
		A0 per copy	38.60	5 40	44 00	42 11	5.89	48.00
		A1 per copy	24 56	3.44	28 00	27 19	3.81	31.00
		A2 per copy	19 30	2 70	22 00	21 05	2 95	24.00
		Sepia Prints per meter	223.68	31 32	255.00	245 61	34 39	280.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
21.11.3		**Digital Data** (each tile covers an area of 3 km²)						
		1 - 49 tiles (per tile)	-	-	-	-	-	-
		50 - 99 tiles	-	-	-	-	-	-
		100 - 199 tiles	-	-	-	-	-	-
		200 - 299 tiles	-	-	-	-	-	-
		300 - 399 tiles	-	-	-	-	-	-
		400 - 499 tiles	-	-	-	-	-	-
		500 - 540 tiles	-	-	-	-	-	-
		A tile will consist of components and their percentage of the total value of the tile						
		Aerial photography 40 %	-	-	-	-	-	-
		Cadaster 20 %	-	-	-	-	-	-
		Contours 30 %	-	-	-	-	-	-
		Road center tiles 10 %	-	-	-	-	-	-
		Cadastral Package (Shapefile, Geodatabase, Dxf, Dwg) including erven & street addresses	10 556.14	1 477.86	12 034.00	11 600.88	1 624.12	13 225.00
		Cadastral Erven & Street numbers (Shapefile, Geodatabase, Dxf, Dwg) per 1000 erven (excluding DCD/CD Disk cost)	10.53	1.47	12.00	11.40	1.60	13.00
		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
21.11.4		**Aerial Photography**						
a		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
b		Imagery 2001 Resolution - 0.25m Pixel Size Complete Set 2500 Sq Km	10 556.14	1 477.86	12 034.00	11 600.88	1 624.12	13 225.00
c		Imagery 2001 Resolution - per tile 2 x 3 Km's (Excl. DVD/CD Disk Cost)	21.05	2.95	24.00	22.81	3.19	26.00
d		Imagery 2006 Resolution - 0.6m Complete Set Covering 2500 Sq Km	1 372.81	192.19	1 565.00	1 508.77	211.23	1 720.00
e		Imagery 2006 Resolution - per tile 4.7 x 5.6 Km's (Excl. DVD/CD Disk Cost)	10.53	1.47	12.00	11.40	1.60	13.00
f		Imagery 2008 Resolution - 0.125m Complete set covering 2500 Sq Km	13 722.81	1 921.19	15 644.00	15 081.58	2 111.42	17 193.00
g		Imagery 2008 Resolution - per tile 2 x 3 Km's (Excl. DVD/CD Disk Cost)	26.32	3.68	30.00	28.95	4.05	33.00
21.11.5		**Contours & DTM**						
a		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
b		Contours at 1m Interval - Complete set covering 2500 Sq Km	5 278.07	738.93	6 017.00	5 800.88	812.12	6 613.00
c		Contours at 1m Interval - per tile (10km x 10km) (Excl. DVD/CD Disk Cost)	42.11	5.89	48.00	46.49	6.51	53.00
d		DTM is 0.3m in X, Y, Z - created from a grid of 20m with breaklines covering 2500 Sq Km	5 278.07	738.93	6 017.00	5 800.88	812.12	6 613.00
e		DTM is 0.3m in X, Y, Z - created from a grid of 20m with breaklines per 10 Sq Km (excluding DCD/CD Disk cost)	42.11	5.89	48.00	46.49	6.51	53.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
21.12		**Building Control**						
21.12.1		**Building costs for plan fees**						
		Class of Building - Rate per m²						
		Dwelling House	4 334.21	606.79	4 941.00	4 763.16	666.84	5 430.00
		Outbuilding	3 614.04	505.96	4 120.00	3 971.93	556.07	4 528.00
		Flats / Hotels / Townhouses	4 954.39	693.61	5 648.00	5 444.74	762.26	6 207.00
		Shops / Schools / Churches	4 954.39	693.61	5 648.00	5 444.74	762.26	6 207.00
		Offices	5 162.28	722.72	5 885.00	5 673.68	794.32	6 468.00
		Carports	1 861.40	260.60	2 122.00	2 045.61	286.39	2 332.00
		Patios / Pergolas	1 861.40	260.60	2 122.00	2 045.61	286.39	2 332.00
		Basement Parking	2 683.33	375.67	3 059.00	2 949.12	412.88	3 362.00
21.12.2		**Factories and Warehouses**						
		First 5000 m²	4 334.21	606.79	4 941.00	4 763.16	666.84	5 430.00
		Over 5000 m²	3 614.04	505.96	4 120.00	3 971.93	556.07	4 528.00
21.12.3		**Minor Work: Boundary Walls, etc (per plan)**	167.54	23.46	191.00	184.21	25.79	210.00
21.12.4		**Drainage Plans (per plan)**	167.54	23.46	191.00	184.21	25.79	210.00
21.12.5		**Swimming Pools (per plan)**	395.61	55.39	451.00	435.09	60.91	496.00
21.12.6		**Cellphone base station applications**	18 371.05	2 571.95	20 943.00	20 189.47	2 826.53	23 016.00
21.12.7		**General**						
a		Plan approval fees be calculated on a flat 0.5% of the project value, with a minimum fee of R100						
b		Plan approval fees for Provincial Housing Board Subsidy Houses be calculated at a flat rate of R40.00 per unit						
c		Subscription for building plan statistics						
		Monthly	15.79	2.21	18.00	17.54	2.46	20.00
		Annual	167.54	23.46	191.00	184.21	25.79	210.00
d		A0, A1, A2, A3, A4 - PHOTOSTATS						
21.13		**Signage Control**						
21.13.1		**Banners**						
		Oxford Street & Mdantsane	1 608.77	225.23	1 834.00	1 768.42	247.58	2 016.00
		Gonubie, Beacon Bay, King William's Town & Zwelitsha	807.89	113.11	921.00	887.72	124.28	1 012.00
21.13.2		**Posters**						
		Charity events - non refundable deposits - 70% deposit refundable	314.04	43.96	358.00	344.74	48.26	393.00
		Other events - non refundable deposits - 70% deposit refundable	1 767.54	247.46	2 015.00	1 942.11	271.89	2 214.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
21.13.3		**Removal charges for loose portable signs (e.g. Estate Agents' for sale / on show)**						
		a) First offence - per sign	460.53	64.47	525.00	506.14	70.86	577.00
		b) Second offence - per sign	919.30	128.70	1 048.00	1 010.53	141.47	1 152.00
		c) Third offence - per sign	1 837.72	257.28	2 095.00	2 019.30	282.70	2 302.00
21.13.4		**Removal charges for sign boards**						
		a) Actual costs - minimum of R300 Plus penalty - per sign	553.51	77.49	631.00	607.89	85.11	693.00
21.13.5		**Removal charges for posters**						
		a) per poster - unpasted	185.09	25.91	211.00	203.51	28.49	232.00
		- pasted	460.53	64.47	525.00	506.14	70.86	577.00
21.13.6		**Application fee for advertising signs**						
		a) Per application	735.09	102.91	838.00	807.89	113.11	921.00
21.13.7		**Application fee for headline posters**						
		a) Annual deposit	11 022.81	1 543.19	12 566.00	12 114.04	1 695.96	13 810.00
		b) Annual administration fee	5 510.53	771.47	6 282.00	6 056.14	847.86	6 904.00
21.13.8		**Application fee for estate agent signs**						
		a) Annual deposit	11 022.81	1 543.19	12 566.00	12 114.04	1 695.96	13 810.00
		b) Annual administration fee	5 510.53	771.47	6 282.00	6 056.14	847.86	6 904.00
21.13.9		**Application fee for Billboard (<40 sq meters) on Private Property**						
		a) Per application	3 548.25	496.75	4 045.00	3 899.12	545.88	4 445.00
21.13.10		**Application fee for Super Billboard (>40 sq meters) on Private Property**						
		a) Per application	4 257.02	595.98	4 853.00	4 678.07	654.93	5 333.00
21.13.11		**Application fee for temporary wrapping sign on construction site**						
		a) Per application	2 128.95	298.05	2 427.00	2 339.47	327.53	2 667.00
21.13.12		**Removal charges for trailor signs - per trailer**	1 100.88	154.12	1 255.00	1 209.65	169.35	1 379.00
21.14		**Bus Service**						
		Stage Trip - 1 to 10 Stage Trips per Trip	8.77	1.23	10.00	9.65	1.35	11.00
		Clip cards - 10 trips (All Areas)	78.07	10.93	89.00	85.96	12.04	98.00
		Clip cards - 44 trips (All Areas)	342.98	48.02	391.00	377.19	52.81	430.00
		Private Hire - per km, with a minimum of 40 Km, plus the actual cost of the driver with a minimum of 4 hours, plus a 10% over and above surcharge.	17.54	2.46	20.00	19.30	2.70	22.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
22		**SCIENTIFIC SERVICES TARIFF CHARGES**						
22.1		**General** Where appropriate, a company **order** must be supplied when submitting the sample(s). In all cases, full details must be furnished as an **account will be posted**. If special or non-routine sample preparation is involved, and / or further investigation work is required for the report, an additional charge based on the time and materials is applicable Reports will be posted on completion. Reports can be faxed at the standard General Tariff While every effort is made to expedite analyses, no firm undertaking can be given regarding a completion date as this may be subject to factors beyond our control. Acceptance of samples for analysis is subject to the client's acceptance of this condition						
22.1.1		In respect of any **search for information**, a standard fee for every quarter of an hour, or portion thereof, is applicable	51.75	7.25	59.00	57.02	7.98	65.00
22.1.2		**Photostat** fees per A4 page	7.02	0.98	8.00	7.89	1.11	9.00
22.1.3		An additional fee per **attendance** shall apply where an **emergency** bacteriological analysis requires staff **attendance** on Saturday, Sunday or Public Holiday	600.00	84.00	684.00	659.65	92.35	752.00
22.1.4		**Site inspections** Building plans for Trade Effluent and Stormwater Pollution Control - per hour or part thereof	494.74	69.26	564.00	543.86	76.14	620.00
22.1.5		**Pollution inspection and investigation** Industrial pollution incidents - - per hour or part thereof	494.74	69.26	564.00	543.86	76.14	620.00
		Analyses marked with (*) are **not available** at present because of lack of demand. Please enquire concerning developments						
22.2		**Summarised costs**						
		Water W1 Stability / Corrosiveness	320.18	44.82	365.00	351.75	49.25	401.00
		Water W2 Irrigation	577.19	80.81	658.00	634.21	88.79	723.00
		Water W3 Potability / drinking water (cost increases with additional metals analysed)	882.46	123.54	1 006.00	970.18	135.82	1 106.00
		Water S1 Standard effluent analysis (excludes metals)	634.21	88.79	723.00	697.37	97.63	795.00
		New mains testing	361.40	50.60	412.00	397.37	55.63	453.00
		New mains testing + sampling by Scientific Services staff	488.60	68.40	557.00	536.84	75.16	612.00

Item	Code	Services	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl.VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
22.3		**Parameter**						
22.3.1		**Physical / Chemical**						
		Alkalinity	47.37	6.63	54.00	51.75	7.25	59.00
		Ammonia	60.53	8.47	69.00	66.67	9.33	76.00
		Antimony	-	-	-	195.61	27.39	223.00
		Biological Oxygen Demand (BOD)	178.07	24.93	203.00	195.61	27.39	223.00
		Chemical Oxygen Demand (COD)	108.77	15.23	124.00	119.30	16.70	136.00
		Chloride	70.18	9.82	80.00	77.19	10.81	88.00
		Chlorine, residual	39.47	5.53	45.00	42.98	6.02	49.00
		Colour (Hazen)	31.58	4.42	36.00	35.09	4.91	40.00
		Conductivity	31.58	4.42	36.00	35.09	4.91	40.00
		Corrosivity	320.18	44.82	365.00	351.75	49.25	401.00
		Cyanide	-	-	-	77.19	10.81	88.00
		Dissolved Oxygen (DO)	53.51	7.49	61.00	58.77	8.23	67.00
		Flocculation tests for water treatment	786.84	110.16	897.00	864.91	121.09	986.00
		Fluoride	78.95	11.05	90.00	86.84	12.16	99.00
		Hardness, total (Ca + Mg)	157.89	22.11	180.00	173.68	24.32	198.00
		Langelier Index	39.47	5.53	45.00	42.98	6.02	49.00
		Moisture + ash	88.60	12.40	101.00	97.37	13.63	111.00
		Moisture determination	51.75	7.25	59.00	57.02	7.98	65.00
		Nitrate	60.53	8.47	69.00	66.67	9.33	76.00
		Nitrite	60.53	8.47	69.00	66.67	9.33	76.00
		Oil and grease (petroleum ether extract)	178.07	24.93	203.00	195.61	27.39	223.00
		Orthophosphate	78.95	11.05	90.00	86.84	12.16	99.00
		Permanganate Value (PV) (4 hour)	60.53	8.47	69.00	66.67	9.33	76.00
		pH	31.58	4.42	36.00	35.09	4.91	40.00
		Phenol	-	-	-	77.19	10.81	88.00
		Ryznar Index	39.47	5.53	45.00	42.98	6.02	49.00
		Silica	70.18	9.82	80.00	-	-	-
		Sodium Adsorption Ratio (SAR)	31.58	4.42	36.00	35.09	4.91	40.00
		Sodium (% of cations)	31.58	4.42	36.00	35.09	4.91	40.00
		Solids, dissolved (determined)	60.53	8.47	69.00	66.67	9.33	76.00
		Solids, dissolved (calculated)	31.58	4.42	36.00	35.09	4.91	40.00
		Solids, settleable	31.58	4.42	36.00	35.09	4.91	40.00
		Solids, suspended	51.75	7.25	59.00	57.02	7.98	65.00
		Solids, total	60.53	8.47	69.00	66.67	9.33	76.00
		Stability pH	39.47	5.53	45.00	42.98	6.02	49.00
		Sugar	88.60	12.40	101.00	97.37	13.63	111.00
		Sulphate	70.18	9.82	80.00	77.19	10.81	88.00
		Turbidity	31.58	4.42	36.00	35.09	4.91	40.00
		Uranium	-	-	-	77.19	10.81	88.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
22.3.2		**Metals**						
		Aluminium	70.18	9.82	80.00	77.19	10.81	88.00
		Arsenic	178.07	24.93	203.00	195.61	27.39	223.00
		Cadmium	70.18	9.82	80.00	77.19	10.81	88.00
		Calcium	70.18	9.82	80.00	77.19	10.81	88.00
		Chromium	70.18	9.82	80.00	77.19	10.81	88.00
		Cobalt	70.18	9.82	80.00	77.19	10.81	88.00
		Copper	70.18	9.82	80.00	77.19	10.81	88.00
		Iron	70.18	9.82	80.00	77.19	10.81	88.00
		Lead	70.18	9.82	80.00	77.19	10.81	88.00
		Magnesium	70.18	9.82	80.00	77.19	10.81	88.00
		Manganese	70.18	9.82	80.00	77.19	10.81	88.00
		Mercury	178.07	24.93	203.00	195.61	27.39	223.00
		Nickel	70.18	9.82	80.00	77.19	10.81	88.00
		Potassium	70.18	9.82	80.00	77.19	10.81	88.00
		Selenium	178.07	24.93	203.00	195.61	27.39	223.00
		Sodium	70.18	9.82	80.00	77.19	10.81	88.00
		Vanadium	70.18	9.82	80.00	77.19	10.81	88.00
		Zinc	70.18	9.82	80.00	77.19	10.81	88.00
		A suite of ≥ 8 metals (per metal)	60.53	8.47	69.00	66.67	9.33	76.00
		Note:						
		Additional metals can be analysed. Please discuss requirements with laboratory						
22.3.3		**Biological**						
		Chlorophyll	138.60	19.40	158.00	152.63	21.37	174.00
		E coli I	88.60	12.40	101.00	97.37	13.63	111.00
		Faecal coliforms	78.95	11.05	90.00	86.84	12.16	99.00
		Faecal streptococci	88.60	12.40	101.00	97.37	13.63	111.00
		Heterotrophic plate count	70.18	9.82	80.00	77.19	10.81	88.00
		Phosphatase	70.18	9.82	80.00	77.19	10.81	88.00
		Standard plate count	70.18	9.82	80.00	77.19	10.81	88.00
		Total coliforms	78.95	11.05	90.00	86.84	12.16	99.00
		The listed charges exclude VAT; all charges are subject to VAT						
22.3.4		**Miscellaneous**						
		Swimming pools bact + pH + chlorine	228.95	32.05	261.00	251.75	35.25	287.00
		Watermain test (Contractors) bact + pH + EC + chlorine + turbidity	262.28	36.72	299.00	288.60	40.40	329.00
		Additional per sampling visit for above	494.74	69.26	564.00	543.86	76.14	620.00
		The listed charges exclude VAT, all charges are subject to VAT						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
23		**EAST LONDON FRESH PRODUCE MARKET**						
23.1		**Cold Storage Tariffs**						
		Fresh produce or other articles, excluding bananas packed in containers (other than bags or pockets):	1 89	0.27	2 16	2 08	0.29	2.37
		Container not exceeding 10 000 cm	0 13	0.02	0 15	0 14	0.02	0 16
		Container exceeding 10 000 cm but not exceeding 15 000 cm	0 14	0.02	0 16	0 16	0.02	0 18
		Container exceeding 15 000 cm but not exceeding 20 000 cm	0 17	0.02	0 19	0 18	0.03	0 21
		Container exceeding 20 000 cm but not exceeding 40 000 cm	0.20	0.03	0.23	0.23	0.03	0.26
		Container exceeding 40 000 cm but not exceeding 60 000 cm	0 24	0.03	0 27	0.26	0.04	0 30
		Container exceeding 60 000 cm but not exceeding 80 000 cm	0.27	0.04	0.31	0.29	0.04	0.34
		Container exceeding 80 000 cm but not exceeding 100 000 cm	0.47	0.07	0 54	0.52	0.07	0 59
		Container exceeding 100 000 cm but not exceeding 500 000 cm	0 72	0 10	0.82	0 79	0 11	0 91
		Container exceeding 500 000 cm	1 91	0.27	2 17	2.09	0.29	2 39
		Packed in bags or pockets or similar containers:						
		Per bag or pocket with nett mass not exceeding 6kg	0 14	0.02	0 16	0 16	0.02	0 18
		Per bag or pocket with nett mass exceeding 6kg but not exceeding 11kg	0 17	0.02	0 19	0 18	0.03	0 21
		Per bag or pocket with nett mass exceeding 11kg but not exceeding 16kg	0 20	0.03	0 23	0 22	0.03	0 25
		Per bag or pocket with nett mass exceeding 16kg but not exceeding 36kg	0 30	0.04	0.34	0 32	0.05	0 37
		Per bag or pocket with nett mass exceeding 36kg	0 47	0.07	0 54	0 52	0.07	0 59
		Unpacked loose produce or other articles per unit	0 72	0 10	0 82	0 79	0 11	0 91
		(Treble these tariffs shall be applicable in respect of fresh produce not purchased / sold through the market)						
		Special tariff for bulk deposits (10 000 cartons or more) may be negotiated - Approval of CFO						
23.2		**Banana Ripening Tariffs (Ripening Cycle)**						
		20 kg box of bananas	2 55	0.36	2 91	2 80	0.39	3.20
23.3		**Market Trolley Hire**						
		Hire of trolley (per day)	6 30	0.88	7 18	6.93	0.97	7.90
23.4		**Cage Storage**						
		Storage rental (per day)	3 19	0.45	3 63	3.50	0.49	3.99
23.5		**General Tariffs**						
23.5.1		Registration of Porters to conduct business on the market	64 04	8.96	73.00	70 18	9.82	80.00
23.5.2		Transaction Fee	0.08	0 01	0.09	0.08	0 01	0 10
23.5.3		Replacement of Buyer's Card (per card)	12 28	1 72	14 00	13 16	1 84	15.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
24		**ALL DIRECTORATES - GENERAL TARIFFS**						
24.1		**Tariffs For Private Photostats, Facsimile And Information Printouts**						
		Photostats per Copy A4 - Black and White	2 63	0 37	3.00	2 63	0.37	3.00
		Photostats per Copy A4 - Colour	13 16	1 84	15.00	14.04	1 96	16.00
		Photostats per Copy A3 - Black and White	7 02	0 98	8 00	7 89	1 11	9.00
		Photostats per Copy A3 - Colour	26 32	3 68	30 00	28 95	4 05	33.00
		Facsimile per Page - Local	8 77	1 23	10 00	9 65	1 35	11 00
		Facsimile per Page - National	9 65	1 35	11 00	10 53	1 47	12.00
		Facsimile per Page - International	15 79	2 21	18.00	17 54	2 46	20.00
24.2		Information Printouts						
		Address List of Consumers - Cost Per Page	8 77	1 23	10 00	9 65	1 35	11 00
		Estimate Book	765 79	107 21	873 00	841 23	117 77	959.00
		Tariff Book	173 68	24 32	198 00	191 23	26 77	218.00
		Financial Statements	36.84	5 16	42.00	40 35	5.65	46.00
		Preparing Issuing of Clearances	114.04	15 96	130 00	125.44	17 56	143.00
		Search Fees	34 21	4 79	39.00	37 72	5.28	43.00
		Photostats Per Copy - Account printout from Customer Care Centre	7 02	0 98	8 00	7.89	1 11	9 00
24.3		Dog Pound Fees						
		Boarding	92 11	12 89	105.00	100.88	14 12	115.00
		Vaccination & Dipping	74 56	10 44	85.00	81 58	11 42	93.00
		Transport	54 39	7.61	62 00	59.65	8.35	68.00
		Cremation	74 56	10.44	85.00	81 58	11 42	93 00
24.4		Dog Tax - East London & King William's Town						
		1 Dog	74.56	10.44	85.00	81 58	11.42	93.00
		2nd and 3rd Dog	111 40	15.60	127 00	122.81	17 19	140.00
		1 Bitch	203 51	28.49	232 00	223.68	31 32	255 00
		2nd and 3rd Bitch	220 18	30 82	251 00	242 11	33.89	276.00
		Penalties - 15 % per month up to maximum of a year's dog tax fees						
24.5		Blocking Administration Fee						
		Administration fee in respect of blocking of electricity supply due to non-payment	49 12	6.88	56.00	54.39	7 61	62 00
24.6		Debt Collection Fee						
24.6.1		Percentage fee in respect of debt collection where debtors have been handed over to Debt Collectors, calculated on the amount collected by the Debt Collector	14%		14%	14%		14%

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
24.6.2		**Postage Fee - Standard Mail** Postage fee to be levied onto debtors accounts where Debt Collection action is instituted against the defaulting debtor. The tariff is as determined by the South African Post Office at the time of postage.						
24.6.3		**Postage Fee - Registered Mail** Postage fee to be levied onto debtors accounts where Debt Collection action is instituted against the defaulting debtor. The tariff is as determined by the South African Post Office at the time of postage.						
24.7		**Account Reconciliation Administration Fee** Administration fee in respect of reconciliations prepared for debtors on their billing accounts						
		- 1 to 24 Months	64.91	9.09	74.00	71.05	9.95	81.00
		- 25 to 48 Months	128.95	18.05	147.00	142.11	19.89	162.00
		- 49 to 72 Months	193.86	27.14	221.00	213.16	29.84	243.00
		- 73 Months or more	258.77	36.23	295.00	284.21	39.79	324.00
24.8		**Transaction Fee (per transaction)**						
		Minimum Cash Handeling Fee	0.20 - 0.50%		0.20 - 0.50%	0.20 - 0.50%		0.20 - 0.50%
		Debit Card Transaction	0.25 - 0.85%		0.25 - 0.85%	0.25 - 0.85%		0.25 - 0.85%
		Credit Card Transaction	1.25 - 2.60%		1.25 - 2.60%	1.25 - 2.60%		1.25 - 2.60%
		Diners Card Commission	2.05 - 2.50%		2.05 - 2.50%	2.05 - 2.50%		2.05 - 2.50%
		Amex Card Commission	2.29 - 2.50%		2.29 - 2.50%	2.29 - 2.50%		2.29 - 2.50%
		EasyPay	8.77	1.23	10.00	9.65	1.35	11.00
		South African Post Office	11.40	1.60	13.00	12.28	1.72	14.00
24.9		**GIS SERVICES**						
24.9.1		**Hard Copy Maps**						
a		ARCGIS Drawing (i.e. line drawing with colour)						
		A4 Size	31.58	4.42	36.00	35.09	4.91	40.00
		A3 Size	50.00	7.00	57.00	55.26	7.74	63.00
		A2 Size	77.19	10.81	88.00	85.09	11.91	97.00
		A1 Size	125.44	17.56	143.00	137.72	19.28	157.00
		A0 Size	199.12	27.88	227.00	218.42	30.58	249.00
b		Aerial Photo (i.e. colour aerial view, incl. or excl. cad / contours)						
		A4 Size	88.60	12.40	101.00	97.37	13.63	111.00
		A3 Size	142.11	19.89	162.00	156.14	21.86	178.00
		A2 Size	230.70	32.30	263.00	253.51	35.49	289.00
		A1 Size	371.05	51.95	423.00	407.89	57.11	465.00
		A0 Size	589.47	82.53	672.00	648.25	90.75	739.00

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
c		Photostats per copy - A4	7.02	0.98	8.00	7.89	1.11	9.00
24.9.2		**Digital Maps**						
a		Enquiries and Analysis In respect of any search for spatial information and analysis, a standard enquiry fee for every quarter of an hour or portion thereof is applicable	46.49	6.51	53.00	50.88	7.12	58.00
b		GIS Packages per CD or DVD (Suburbs, Allotments, Wards, Halls, Libraries, Roads, Rivers, Railway lines, Dams in shapefile format)	157.89	22.11	180.00	173.68	24.32	198.00
c		GIS Digital enquiries an maps on CD or DVD (Pdf or Image file, jpeg, tiff, bitmap)	157.89	22.11	180.00	173.68	24.32	198.00
d		Cadastral Package (Shapefile, Geodatabase, Dxf, Dwg) including erven & street addresses	10 556.14	1 477.86	12 034.00	11 600.88	1 624.12	13 225.00
e		Cadastral Erven & Street numbers (Shapefile, Geodatabase, Dxf, Dwg) per 1000 erven (excluding DCD/CD Disk cost)	10.53	1.47	12.00	11.40	1.60	13.00
f		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
24.9.3		**Aerial Photography**						
a		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
b		Imagery 2001 Resolution - 0.25m Pixel Size Complete Set 2500 Sq Km	10 556.14	1 477.86	12 034.00	11 600.88	1 624.12	13 225.00
c		Imagery 2001 Resolution - per tile 2 x 3 Km's (Excl. DVD/CD Disk Cost)	21.05	2.95	24.00	22.81	3.19	26.00
d		Imagery 2006 Resolution - 0.6m Complete Set Covering 2500 Sq Km	1 372.81	192.19	1 565.00	1 508.77	211.23	1 720.00
e		Imagery 2006 Resolution - per tile 4.7 x 5.6 Km's (Excl. DVD/CD Disk Cost)	10.53	1.47	12.00	11.40	1.60	13.00
f		Imagery 2008 Resolution - 0.125m Complete set covering 2500 Sq Km	13 722.81	1 921.19	15 644.00	15 081.58	2 111.42	17 193.00
g		Imagery 2008 Resolution - per tile 2 x 3 Km's (Excl. DVD/CD Disk Cost)	26.32	3.68	30.00	28.95	4.05	33.00
h		Imagery 2013 Resolution - 0.12m Complete set covering 2500 Sq Km	26 315.79	3 684.21	30 000.00	26 315.79	3 684.21	30 000.00
i		Imagery 2013 Resolution - per tile (Excl. DVD/CD Disk Cost)	70.18	9.82	80.00	70.18	9.82	80.00
24.9.4		**Contours & DTM**						
a		Enquiries Fee and Disk	93.86	13.14	107.00	103.51	14.49	118.00
b		Contours at 1m Interval - Complete set covering 2500 Sq Km	5 278.07	738.93	6 017.00	5 800.88	812.12	6 613.00
c		Contours at 1m Interval - per tile (10km x 10km) (Excl. DVD/CD Disk Cost)	42.11	5.89	48.00	46.49	6.51	53.00
d		DTM is 0.3m in X, Y, Z - created from a grid of 20m with breaklines covering 2500 Sq Km	5 278.07	738.93	6 017.00	5 800.88	812.12	6 613.00
e		DTM is 0.3m in X, Y, Z - created from a grid of 20m with breaklines per 10 Sq Km (excluding DCD/CD Disk cost)	42.11	5.89	48.00	46.49	6.51	53.00
f		Contours at 0.05m Interval - Complete set covering 2500 Sq Km (LIDAR)	8 771.93	1 228.07	10 000.00	8 771.93	1 228.07	10 000.00
g		Contours at 0.05m Interval - per tile (Excl. DVD/CD Disk Cost)	43.86	6.14	50.00	43.86	6.14	50.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl
25		**FEES PAYABLE IN TERMS OF THE ACCESS TO INFORMATION ACT**						
		Annexure A						
25.1		**General : Value-Added Tax**						
		Public and private bodies registered as vendors under the Value-Added Tax Act, 1991 (Act 89 of 1991) may add value-added tax to all fees prescribed in this Annexure.						
25.2		**Fees In Respect Of Guide**						
		The fee for a copy of the guide as contemplated in regulations 2(3)(b) and 3(4)(c) for every photocopy of an A4-size page, or part thereof.	0.61	0.09	0.70	0.61	0.09	0.70
25.3		**Fees In Respect Of Public Bodies**						
25.3.1		The fee for a copy of the manual as contemplated in regulation 5(c) for every photocopy of an A4-size page, or part thereof.	0.61	0.09	0.70	0.61	0.09	0.70
25.3.2		The fees for reproduction referred to in regulation 7(1) are as follows :-						
a		For every photocopy of an A4-size page, or part thereof	0.61	0.09	0.70	0.61	0.09	0.70
b		For every printed copy of an A4-size page, or part thereof, held on a computer or in electronic or machine-readable form	0.39	0.06	0.45	0.39	0.06	0.45
c		For a copy of :-						
c.1		- Stiffy disk	5.00	0.70	5.70	5.00	0.70	5.70
c.2		- Compact disc	39.47	5.53	45.00	39.47	5.53	45.00
d		Visual Images :-						
d.1		For a transcription of visual images, per A4-size page, or part thereof	21.93	3.07	25.00	21.93	3.07	25.00
d.2		For a copy of visual images	59.65	8.35	68.00	59.65	8.35	68.00
e		Audio Records :-						
e.1		For a transcription of an audio record, per A4-size page or part thereof	12.02	1.68	13.70	12.02	1.68	13.70
e.2		For a copy of an audio record	17.02	2.38	19.40	17.02	2.38	19.40
25.3.3		The request fee payable by every requester, other than a personal requester, referred to in regulation 7(2)	35.09	4.91	40.00	35.09	4.91	40.00
25.3.4		The access fees payable by a requester referred to in regulation 7(3) are as follows :-						
a		For every photocopy of an A4-size page or part thereof	0.61	0.09	0.70	0.61	0.09	0.70
b		For every printed copy of an A4-size page or part thereof held on a computer or in electronic or machine-readable form	0.39	0.06	0.45	0.39	0.06	0.45

Item	Code	Service	2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl
c		For a copy of:-						
c.1		- Stiffy disc	5.00	0.70	5.70	5.00	0.70	5.70
c.2		- Compact disc	39.47	5.53	45.00	39.47	5.53	45.00
d		Visual Immages -						
d.1		For a transcription of visual images, per A4-size page, or part thereof	21.93	3.07	25.00	21.93	3.07	25.00
d.2		For a copy of visual images	59.65	8.35	68.00	59.65	8.35	68.00
e		Audio Records -						
e.1		For a transcription of an audio record, per A4-size page, or part thereof	12.02	1.68	13.70	12.02	1.68	13.70
e.2		For a copy of an audio record	17.02	2.38	19.40	17.02	2.38	19.40
f		To search for and prepare the record for disclosure, per hour or part thereof, excluding the first hour, reasonably required for such search and preparation	14.91	2.09	17.00	14.91	2.09	17.00
25.3.5		For purposes of section 22(2) of the Act, the following applies:						
a		Six hours as the hours to be exceeded before a deposit is payable, and						
b		one third of the access fee is payable as a deposit by the requester						
25.3.6		The actual postage is payable when a copy of a record must be posted to a requester	Postage		Postage	Postage		Postage
25.3.7		The tarrif for the valuation roll that MIS puts onto disc for estate agents needs to be included.	764.91	107.09	872.00	764.91	107.09	872.00

Item	Code	Service		2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
26		**EAST LONDON INDUSTRIAL DEVELOPMENT ZONE (ELIDZ)**							
26.1		**POTABLE WATER SUPPLY**							
26.1.1		**Deposits** All customers under this tariff will be required to deposit a sum of money with the ELIDZ as security for payment of any water charges due, or which may become due to the ELIDZ. The amounts to be deposited shall be based on twice the estimated average monthly consumption of the customer, but not less the minimums shown below.-							
a		Industrial	minimum	907.89	127.11	1 035.00	1 007.89	141.11	1 149.00
b		Others	minimum	456.14	63.86	520.00	506.14	70.86	577.00
26.1.2		**Normal Tariffs for Supply of Water**							
a		Bulk supply to IDZ	per kl	12.28	1.72	14.00	14.04	1.96	16.00
b		Industrial / commercial supply	per kl	14.04	1.96	16.00	15.79	2.21	18.00
c		Metered fire connection	per kl	14.04	1.96	16.00	15.79	2.21	18.00
d		Unmetered fire connection (Rental)	per month	156.14	21.86	178.00	173.68	24.32	198.00
26.1.3		**Punitive Tariff When Water is Scarce** (By Special Resolution of BCM Council)							
a		Bulk supply to IDZ	per kl	14.04	1.96	16.00	15.79	2.21	18.00
b		Industrial / commercial supply	per kl	15.79	2.21	18.00	17.54	2.46	20.00
26.1.4		**Building Water** Where potable water is required for building works, the owner or the builder shall apply on the prescribed form and shall pay the amounts set out below and the monthly accounts. The deposit or the balance thereof, after the payment of all accounts, shall be refunded on completion of the work.							
a		Standard connection fee	each	5 155.26	721.74	5 877.00	5 721.93	801.07	6 523.00
b		Deposit (0.25% of the total value of the building work)	minimum	788.60	110.40	899.00	875.44	122.56	998.00
c		Tariff	per kl	13.16	1.84	15.00	14.91	2.09	17.00
		Charges for Connections Water deposits are to be paid with connection charges in advance of work being carried out The charges for new connections shall be as follows:-							

Item	Code	Service		2014/15 Total Rands Excl VAT	2014/15 VAT Rands 14%	2014/15 Total Rands VAT Incl.	2015/16 Total Rands Excl VAT	2015/16 VAT Rands 14%	2015/16 Total Rands VAT Incl.
26.1.5		**Normal Metered Water Connections**							
a		15 mm	each	2 328.07	325.93	2 654.00	2 584.21	361.79	2 946.00
b		20 mm	each	3 040.35	425.65	3 466.00	3 374.56	472.44	3 847.00
c		25 mm	each	8 204.39	1 148.61	9 353.00	9 107.02	1 274.98	10 382.00
d		40 mm	each	14 942.11	2 091.89	17 034.00	16 585.96	2 322.04	18 908.00
e		50 mm	each	19 071.93	2 670.07	21 742.00	21 170.18	2 963.82	24 134.00
26.1.6		**Combination Metered Connections**							
a		50 mm	each	42 751.75	5 985.25	48 737.00	47 454.39	6 643.61	54 098.00
b		80 mm	each	62 033.33	8 684.67	70 718.00	68 857.02	9 639.98	78 497.00
c		100 mm	each	84 958.77	11 894.23	96 853.00	94 304.39	13 202.61	107 507.00
d		150 mm	each	125 215.79	17 530.21	142 746.00	138 989.47	19 458.53	158 448.00
26.1.7		**Metered Sprinkler Connections**							
a		100 mm	each	44 971.05	6 295.95	51 267.00	49 917.54	6 988.46	56 906.00
b		150 mm	each	69 683.33	9 755.67	79 439.00	77 348.25	10 828.75	88 177.00
26.1.8		**Hire of Temporary Metered Standpipe Connection**							
a		50 mm (includes installation and removal)	each	8 222.81	1 151.19	9 374.00	9 127.19	1 277.81	10 405.00
b		Deposit (refundable when service is no longer required)	sum	1 600.00	224.00	1 824.00	1 776.32	248.68	2 025.00
26.1.9		**Sundry Service Charges**							
a		Flow and pressure test of water main	per test	1 762.28	246.72	2 009.00	1 956.14	273.86	2 230.00
b		Wasted visit of serviceman Applicable for visits requested by the customer or builder wgich prove to be wasted due to the site not being cleared beforehand, or if the reported problem is found to be due to an internal problem	per visit	884.21	123.79	1 008.00	981.58	137.42	1 119.00
c		Closing and re-opening of ELIDZ valves requested by Customer or builder	per set	1 717.54	240.46	1 958.00	1 906.14	266.86	2 173.00
d		Repair of meter connection or stopcock (15 mm and 20 mm) Note: Repairs of meter connection, stopcock or valve 25 mm and larger will be charged at cost plus **10%**	per event	1 838.60	257.40	2 096.00	2 041.23	285.77	2 327.00
e		Disconnection of water supply	per event	884.21	123.79	1 008.00	981.58	137.42	1 119.00
f		Replacement of meter temporarily removed at request of the customer	per event	1 104.39	154.61	1 259.00	1 225.44	171.56	1 397.00
g		Replacement of meter unlawfully removed or by-passed by the occupier or owner Note: An additional charge will be made for water used, the value of which will be estimated by the CEO	per event	1 838.60	257.40	2 096.00	2 041.23	285.77	2 327.00
h		Availability charge (Applicable to erven not connected to the ELIDZ water supply system)	per month	68.42	9.58	78.00	76.32	10.68	87.00

Item	Code	Service		2014/15 Total R/cents Excl.VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl.VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
i		Testing of meter requested by Customer (Charge will only be payable if meter is found to over-record by less than 3%)	per test	Cost + 10%		Cost + 10%	Cost + 10%		Cost + 10%
26.2		**SEWERAGE**							
26.2.1		**Industrial Dry**							
		(Applicable to industries using less than 50 kl of water per month on an average)							
a		Pan charge	per pan per month	190.35	26.65	217.00	208.77	29.23	238.00
b		Monthly area charge The square root of the land area in m^2 x R value	per month	17.54	2.46	20.00	19.30	2.70	22.00
26.2.2		**Industrial Wet**							
		(Applicable to industries using more than 50 kl of water per month on an average)							
a		Monthly pan charge	per pan per month	177.19	24.81	202.00	193.86	27.14	221.00
b		Monthly area charge The square root of the land area in m^2 x R value	per month	19.30	2.70	22.00	21.05	2.95	24.00
26.2.3		**Conveniences During Building Operations** Charge for temporary toilets installed by builder on building sites for use during the duration of the building activity	per pan	1 590.35	222.65	1 813.00	1 741.23	243.77	1 985.00
26.2.4		**Sewerage Connections** In respect of properties connected for the first time to the IDZ wastewater drainage system, the charges shall be:							
a		100 mm dia connection	for first connection	2 449.12	342.88	2 792.00	2 681.58	375.42	3 057.00
b		150 mm dia connection No matter whether the above connections are used or not, all additional connections shall be charged at cost plus 10%	for first connection	3 059.65	428.35	3 488.00	3 350.00	469.00	3 819.00
26.2.5		**Service Charges**							
a		Charge for visit of serviceman The above charge shall be applicable where a property owner or occupier requests a service call for a problem which is found to be an internal problem.	per visit	613.16	85.84	699.00	671.05	93.95	765.00
b		Charge for clearance of ELIDZ sewer serving one property only	per clearance	1 224.56	171.44	1 396.00	1 341.23	187.77	1 529.00

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
26.3		**TRADE EFFLUENT**						
26.3.1		**General Formula**						
		K1 + K2A + K3B + K4C + K5D						
		where						
		K1 =	519.51	72.73	592.25	568.87	79.64	648.51
		K2 =	13.17	1.84	15.02	14.42	2.02	16.44
		K3 =	13.17	1.84	15.02	14.42	2.02	16.44
		K4 =	10.26	1.44	11.69	11.23	1.57	12.80
		K5 =	10.26	1.44	11.69	11.23	1.57	12.80
		A = Volume in millilitres of settleable matter in one litre of trade effluent up to a volume of 10 ml						
		B = Volume in millilitres of settleable matter in one litre of trade effluent in excess of 10 ml						
		C = Permanganate Value (settled trade effluent) in excess of 30mg/l up to 1000 mg/l						
		D = Permanganate Value (settled trade effluent) in excess of 1000 mg/l						
		Note firstly that terms K2A and K3B are only applied if the service includes settlement of any other form of sludge treatment, while the terms K4C and K5D are applied if the service includes treatment of the aqueous phase. Secondly, in the absence of analytical results to determine SS and PV, or where SS and PV are found to be less than 10 and 50 respectively, these shall be deemed to be 10 and 50 respectively						
		VAT is added on the final calculated charge						
26.3.2		**Minimum Charge**						
		Applicable where effluent volume is less than 50kl/month and where settlement matter does not exceed 10ml per litre and where Permanganate Value does not exceed 50 mg/l, and all areas except those served by the Hood Point Marine discharge						
		The monthly minimum charge = K6 (K1 + K2A + K4C), where						
		K6 =	114.15	15.98	130.13	114.15	15.98	130.13
		A = 10						
		C = (50 30)						
26.3.3		**Sea Discharge (Applicable in areas draining to Hood Point Marine discharge)**						
		Charge = K1 x K7 where K7 =	3.96	0.55	4.51	3.96	0.55	4.51
		Monthly minimum charge in cents = K7 x K6 x K1 (applicable where effluent volume is less than 50kl/month)						

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
26.3.4		**Various Categories**						
a		**Category number: 1**						
		Location: Areas served by the Hood Point Marine discharge						
		Service: Conveyance, screening and disposal						
		Effluent volume: Less than 50 kl per month						
		Effluent tariff (c/Kl)						
		Minimum charge payable: [K7 x K6 x K1] = Rand per Month	2 346.54	328.52	2 675.06	2 569.60	359.74	2 929.35
b		**Category number: 2**						
		Location: All areas except those served by the Hood Point Marine discharge						
		Service: Conveyance, full treatment and disposal						
		Effluent volume: Less than 50 kl per month						
		Effluent tariff (c/Kl)						
		Minimum charge payable: [K6 ([K1 + K2A + K4C)] = Rand per Month	977.47	136.85	1 114.32	1 070.34	149.85	1 220.19
c		**Category number: 3**						
		Location: Areas served by the Hood Point Marine discharge						
		Service: Conveyance, screening and disposal						
		Effluent volume: In Excess of 50 kl/month, and assessed as a % of metered consumption						
		Effluent tariff: [K7 x K1] = Cent per Kilolitre	2 055.36	287.75	2 343.11	2 250.76	315.11	2 565.87
		Minimum charge payable per month : Charge = volume x tariff, = R						
d		**Category number: 4**						
		Location: All areas except those served by the Hood Point Marine discharge						
		Service: Conveyance, full treatment and disposal						
		Effluent volume: In Excess of 50 kl/month, and assessed as a % of metered water consumption						
		Effluent tariff: [K1 + K2A + K4C] = Cent per Kilolitre	856.27	119.88	976.15	937.62	131.27	1 068.89
		Charge = volume x tariff, subject to monthly minimum charge of = R						
e		**Category number: 5**						
		Location: Miscellaneous						
		Service: Miscellaneous						
		Effluent volume: In excess of 50 kl/month, and determined by direct effluent measurement, or by other means						
		West Bank Effluent tariff: [K7 x K1] = Cent per Kilolitre	2 055.36	287.75	2 343.11	2 250.76	315.11	2 565.87
		East Bank Effluent tariff: [K1 + K2A + K4C] = Cent per Kilolitre	856.27	119.88	976.15	937.62	131.27	1 068.89

Item	Code	Service	2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT incl.
26.3.5		**Surcharge** The repeated discharge to Council's sewers of non-complying effluent can result in a surcharge being applied to the total trade effluent charge for any particular month (Refer to Trade Effluent By-Laws) **NOTE: In terms of the By-Laws, the constants determining the tariffs are set by Council every six (6) months.** **All tariffs exclude VAT except where shown**						
26.4		**ELECTRICITY SERVICE**						
26.4.1		**Large Power Users: Tariff Designation: Scale 3** Calculated at Actual ESKOM cost, PLUS	2.50%		2.50%	2.50%		2.50%
26.4.1.1		**Scale 3A - Large Power Users - 80kVA and above. Supply at a nominal voltage of 400V**						
a		Basic charge per month or part thereof (payable whether or not any electricity is used)	669.80000	93.77200	763.5720	751.51560	105.21218	856.7278
b		Demand charge per month per kVA of the maximum demand supplied in the month.	206.47000	28.90580	235.3758	231.65934	32.43231	264.0916
c		An Energy charge for all electricity supplied in the month	0.56120	0.07857	0.6398	0.62967	0.08815	0.7178
26.4.1.2		**Scale 3B - Large Power Users - 1MVA and above. Supply at a nominal voltage of 11kV**						
a		Basic charge per month or part thereof (payable whether or not any electricity is used)	1 006.77000	140.94780	1 147.7178	1 129.59594	158.14343	1 287.7394
b		Demand charge per month per kVA of the maximum demand supplied in the month.	193.91000	27.14740	221.0574	217.56702	30.45938	248.0264
c		An Energy charge for all electricity supplied in the month.	0.51930	0.07270	0.5920	0.58265	0.08157	0.6642
26.4.2		**Time of Use Tariff: Tariff Designation: Scale 4** Calculated at Actual ESKOM cost, PLUS	2.50%		2.50%	2.50%		2.50%
26.4.2.1		**Scale 4A - Time-Of-Use [Minimum Requirement: 400V 80kVA but < 1 MVA Supply]**						
a		Basic charge per month or part thereof (payable whether or not any electricity is used)	595.66000	83.39240	679.0524	668.33052	93.56627	761.8968
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**						
b.1		During low demand months	88.01000	12.32140	100.3314	98.74722	13.82461	112.5718
b.2		During high demand months	97.06000	13.58840	110.6484	108.90132	15.24618	124.1475
c		**Active Energy Charges / kwh**						
		Low Demand (Sept - May) Peak	1.47240	0.20614	1.6785	1.65203	0.23128	1.8833
		Standard	0.86390	0.12095	0.9848	0.96930	0.13570	1.1050
		Off Peak	0.53110	0.07435	0.6055	0.59589	0.08343	0.6793
		High Demand (June - Aug) Peak	2.65820	0.37215	3.0303	2.98250	0.41755	3.4001
		Standard	0.96120	0.13457	1.0958	1.07847	0.15099	1.2295
		Off Peak	0.57510	0.08051	0.6556	0.64526	0.09034	0.7356
d		Reactive Energy Charge Standard 30 minute integrating periods (R cents/kvarh)	0.10130	0.01418	0.1155	0.11366	0.01591	0.1296

Item	Code	Service		2014/15 Total R/cents Excl VAT	2014/15 VAT R/cents 14%	2014/15 Total R/cents VAT Incl.	2015/16 Total R/cents Excl VAT	2015/16 VAT R/cents 14%	2015/16 Total R/cents VAT Incl.
26.4.2.2		**Scale 4B - Time-Of-Use (Minimum Requirement: 11kV. 1 MVA but < 10 MVA Supply)**							
a		Basic charge per month or part thereof (payable whether or not any electricity is used)		1 110.10000	155.41400	1 265.5140	1 245.53220	174.37451	1 419.9067
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**							
b.1		During low demand months		72.94000	10.21160	83.1516	81.83868	11.45742	93.2961
b.2		During high demand months		80.85000	11.31900	92.1690	90.71370	12.69992	103.4136
c		**Active Energy Charges / kwh**							
		Low Demand (Sept - May)	Peak	1.40310	0.19643	1.5995	1.57428	0.22040	1.7947
			Standard	0.79990	0.11199	0.9119	0.89749	0.12565	1.0231
			Off Peak	0.49140	0.06880	0.5602	0.55135	0.07719	0.6285
		High Demand (June - Aug)	Peak	2.54440	0.35622	2.9006	2.85482	0.39967	3.2545
			Standard	0.86160	0.12062	0.9822	0.96672	0.13534	1.1021
			Off Peak	0.49430	0.06920	0.5635	0.55460	0.07764	0.6322
d		Reactive Energy Charge. Standard 30 minute integrating periods. (R cents/kvarh)		0.10130	0.01418	0.1155	0.11366	0.01591	0.1296
26.4.2.3		**Scale 4C - Time-Of-Use (Minimum Requirement: 11kVA > 10 MVA Supply)**							
a		Basic charge per month or part thereof (payable whether or not any electricity is used)		1 023.14000	143.23960	1 166.3796	1 147.96308	160.71483	1 308.6779
b		**Monthly maximum Demand Charges during peak or standard periods (R/kVA/m)**							
b.1		During low demand months		72.94000	10.21160	83.1516	81.83868	11.45742	93.2961
b.2		During high demand months		80.75000	11.30500	92.0550	90.60150	12.68421	103.2857
c		**Active Energy Charges / kwh**							
		Low Demand (Sept - May)	Peak	1.35550	0.18977	1.5453	1.52087	0.21292	1.7338
			Standard	0.75790	0.10611	0.8640	0.85036	0.11905	0.9694
			Off Peak	0.43560	0.06098	0.4966	0.48874	0.06842	0.5572
		High Demand (June - Aug)	Peak	2.49450	0.34923	2.8437	2.79883	0.39184	3.1907
			Standard	0.84470	0.11826	0.9630	0.94775	0.13269	1.0804
			Off Peak	0.48460	0.06784	0.5524	0.54372	0.07612	0.6198
d		Reactive Energy Charge. Standard periods. 30 minute integrating period		0.10230	0.01432	0.1166	0.11478	0.01607	0.1308
26.4.3		**Capital Connection Charges** (non refundable, and payable upon application)							
a		Large power user on tariff 3A		No charge		No charge	No charge		No charge
b		Time of use tariff, single 11 kV service, with a maximum demand of less than 3.5 MVA	per connection	Actual cost		Actual cost	Actual cost		Actual cost
c		Time of use tariff, dual 11 kV service, with a maximum demand of less than 3.5 MVA	per connection	Actual cost		Actual cost	Actual cost		Actual cost
d		Time of use tariff, requiring either a single or a dual 11 kV service with a maximum demand of greater than 3.5 MVA	per connection	Actual cost		Actual cost	Actual cost		Actual cost
26.4.4		**Security deposit** Calculated on the forecasted monthly maximum demand and energy applicable for a period of 3 months and subject to a minimum of		2 057.21	288.01	2 345.22	2 308.19	323.15	2 631.34

BUFFALO CITY METROPOLITAN MUNICIPALITY

TARIFF POLICY

Final: 29 May 2015

TABLE OF CONTENTS

		PAGE
	PART 1: GENERAL	
1.	Legislative Compliance	3
2.	Definitions	3
3.	Introduction and Background	7
4.	Scope of the Policy	7
5.	Objective of the Policy	8
6.	Principles	8
7.	Differentiation for Tariff Purposes	10
8.	Classification and Pricing Strategies of Services	12
9.	Policy Proposal	14
10.	Tariff Determination Process	17
	PART 2: WATER & SANITATION	
11.	Specific Policies for Water Tariffs	20
12.	Specific Policies for Sanitation Tariffs	25
13.	Underground Leakage Rebates on Water Accounts	28
	PART 3: ELECTRICITY	
14.	Specific Policies for Electricity	30
	PART 4: SOLID WASTE MANAGEMENT (REFUSE REMOVAL)	
15.	Specific Policies for Solid Waste Management	33
	PART 5: OTHER MINOR TARIFFS	
16.	Specific Policies for Other Minor Tariffs	38

PART 1
GENERAL

1. LEGISLATIVE COMPLIANCE

1.1 Section 74 of the Local Government: Municipal Systems Act, Act 32 of 2000, requires that Council adopt a Tariff Policy.

1.2 The general financial management functions covered in Section 62 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, includes the implementation of a tariff policy.

1.3 Specific legislation applicable to each service has been taken into consideration when determining this policy.

2. DEFINITIONS

In this policy, unless the context otherwise indicates:

- **"Act"** means the Municipal Systems Act 2000, (Act 32 of 2000) (MSA);
- **"Average Historic Cost (AHC) of Sanitation"** means the total annual cost of the sanitation service (including capital charges, but excluding contributions to a capital development fund) divided by the total volume of sewage discharged for that year;
- **"Average Historic Cost (AHC) of Water"** means the total annual cost of the water service (including capital charges, but excluding surcharges and contributions to a capital development fund) divided by the total volume of billed water sales for that year;
- **"Commercial / Industrial Customer / user"** means consumers that are not defined as Domestic customers / users and includes halls, churches,

schools, sports clubs, restaurants, theatres, consulting rooms, and all other commercial and industrial premises and residential establishments where a business license exists (such as hotels, bed and breakfast premises, hostels, retirement homes, etc);

- **"Commercial wastewater"** means the effluent discharged from a premise predominantly of a commercial nature (e.g. shops, offices, showrooms, service stations, hospitals, etc);
- **"Commercial water use"** means water supplied to premises predominantly of a commercial nature (e.g. shops, offices, showrooms, service stations, hospitals, etc);
- **"Connection fee"** means the fee payable as a contribution towards the cost of providing supply. This may be subsidised to facilitate the provision of services to poor households;
- **"Consumption based tariff"** means a tariff set as a Rand amount per measurable unit of service;
- **"Cost reflective tariff"** means a two part tariff consisting of a Service Charge and an Energy Charge or a three part tariff which includes a Demand Charge;
- **"Council" or "Municipality"** means the Buffalo City Municipality;
- **"CPIX"** means the consumer price index excluding mortgage costs as measured by Stats SA;
- **"Credit Meter"** means a meter where an account is issued subsequent to the consumption of the service (water or electricity);
- **"Demand Charge"** means the charge payable for each kilovolt-ampere (kVa) of the maximum demand supplied during any 30 consecutive minutes of the month;
- **"Domestic Customer / user"** means a customer in private residential establishments including houses, blocks of flats and town house complexes. It also includes *bona fide* residential establishments registered by the welfare Department;

- **"Domestic wastewater"** means effluent discharged from a premise not defined as commercial or industrial;
- **"Domestic water use"** means water that is used predominantly for domestic purposes, including garden irrigation;
- **"Energy Charge"** means a charge for each kilowatt-hour (kWh) of electrical energy;
- **"Green Energy"** means energy generated from a sustainable source such as solar, wind or wave;
- **"Indigent fund"** means a budget provision, funded from National Government transfers and Municipal rates, used to subsidize basic services;
- **"Industrial wastewater"** means wastewater arising from mining, manufacturing, electricity generation, land-based transport, construction or any related activities (consistent with definition of disposal of industrial effluent in the Water Services Act);
- **"Industrial water use"** means water which is used in mining, manufacturing, generating electricity, land-based transport, construction or any related purpose (follows definition in Water Services Act);
- **"Low Voltage (LV)"** means 230 volts single phase / 400 volts three phase;
- **"Medium Voltage (MV)"** means the set of voltage levels greater than 1kV up to and including 44kV;
- **"Meter"** means a device that records the demand and / consumption of a specific service (water or electricity) and includes Credit and Prepayment meters;
- **"municipal area"** means the area in respect of which the municipality has executive and legislative authority as determined by the constitution and the National legislation and the area as demarcated by the Demarcation Act (Act 27 of 1998);
- **"municipal council"** means a municipal council referred to in section 157 of the Constitution and for this policy includes a municipal local council and a municipal district council, as the case may be;
- **"NERSA"** means the National Energy Regulator of South Africa;

- **"Other wastewater"** means effluent discharged from a premise not defined as domestic, commercial or industrial;
- **"Other water use"** means all water used not defined as domestic, industrial or commercial water use;
- **"Point of supply"** means the point determined by the Service Provider at which the Service Provider supplies a specific service to any premises;
- **"Poor households"** means those households in the municipal area that cannot afford to pay either the entire tariff charge for the municipal services, or part of it. It also means those households in the municipal area living in property with a municipal property valuation of less than the threshold as determined by Council from time to time and earn less than the monthly income as determined by Council from time to time;
- **"Prepayment Meter"** means a meter that can be programmed to allow the flow of a pre-purchased amount of energy in an electrical circuit;
- **"Rates and General account"** means a budget provision used to fund other Municipal services excluding the electricity, water, sanitation and solid waste services;
- **"residential unit"** means a group of rooms, used for residential purposes, contained within a block of flats and which includes any undivided share of common property or any other portion of the property proportioned to that unit in terms of exclusive use, which shall include a garage or any other outbuildings;
- **"Schedule of Tariffs"** means a schedule containing details pertaining to levels and application of various tariffs as approved by the Municipality from time to time;
- **"Service Charge"** means a fixed charge to recover fixed costs such as capital, meter reading, billing, vending, maintenance, etc. It may be recovered as a daily or monthly charge, but it is not applicable to subsidised tariffs. It is applicable throughout the entire period during which the relevant premises are connected to the supply mains, irrespective of whether any services were used or not;

- **"Special Tariffs"** means a special tariff which may be introduced from time to time in terms of sub-paragraph 74(2)(g) of the Municipal Systems Act;
- **"Sundry Tariff"** means a charge for additional general services rendered such as reconnections, disconnections, meter testing, etc. These will be published in a tariff schedule, which may be adjusted from time to time;
- **"Tariff Policy"** means a policy on the levying of fees, rates or taxes for the municipal services provided by the municipality itself and that complies with the Municipal Systems Act 2000 (Act 32 of 2000);
- **"Total Municipal Account"** means a postulated current account based on medial bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded;
- **"Wheeling"** means the transport of electrical energy over the Service Provider's network infrastructure.

3. INTRODUCTION AND BACKGROUND

One of the primary functions of a local authority is to provide services to the people resident within its municipal area. The funding of these services is made possible by levying property taxes, charging for municipal services rendered and levy collection through business levies. Tariffs represent the charges levied by Council on consumers for the utilisation of services provided by the Municipality. These are calculated dependent on the nature of the service being provided. They may be set in a manner so as to recover the full cost of the service being provided or recover part of the costs or bring about a surplus that can be utilized to subsidies other non-economical services.

4. SCOPE OF THE POLICY

4.1 It is intended that this policy document will guide the annual setting (or revision) of tariffs, hence the policy does not make specific tariff proposals, nor does it deal in any detail with the implementation of specific tariff

proposals. Details pertaining to specific levels and applications of the various tariffs are published in the Schedule of Tariffs, which must be read in conjunction with this policy.

4.2 The policy is applicable to all tariffs for electricity, water, sanitation and solid waste services provided by the Buffalo City Municipality.

4.3 This policy is also applicable to all sundry tariffs, as provided for in the Schedule of Tariffs of the Municipality.

5. OBJECTIVES OF THE POLICY

The objectives of the tariff policy are to ensure that:

- The tariffs of the Municipality comply with the relevant legislation prevailing at the time of implementation;
- The Municipal services are financially sustainable, affordable and equitable;
- The basic needs of the indigent, aged and disabled are taken into consideration through the relevant tariffs applicable to them;
- There is consistency in how the tariffs are applied throughout the municipality; and
- The policy is drawn up in line with the principles as outlined in the Act (see 6 below)

6. PRINCIPLES

In terms of Section 74(2) of the Municipal Systems Act the following principles should at least be taken into account when formulating the Tariff Policy:

6.1 The users of municipal services must be treated equitably in the application of the tariffs;

6.2 AS far as possible, consumers must pay in proportion to the amount of services consumed;

6.3 All households, with the exception of the poor (indigent), must pay the full costs of services consumed. Poor households must have access to at least a minimum level of basic services through:

6.3.1 Tariffs that cover the operating and maintenance costs;

6.3.2 Special lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or

6.3.3 Any other direct or indirect method of subsidization of tariffs for poor households.

6.4 Tariffs must include the cost reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement and interest charges;

6.5 Tariffs must be set at a level to facilitate financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;

6.6 Provision may be made in appropriate circumstances for a surcharge on the tariff for a service;

6.7 Provision may be made for the promotion of local economic development through a special tariff for categories of commercial and industrial users;

6.8 The economical, efficient and effective use of resources, the recycling of wastes and other appropriate environmental objectives must be encouraged;

6.9 The extent of subsidisation of the poor households and other categories of users should be fully disclosed;

6.10 In addition, the amount that users pay for services, as measured through the Total Municipal Account, should generally be affordable for different categories of users and annual tariff increases should be benchmarked against inflation measured by CPIX.

7. DIFFERENTIATION FOR TARIFF PURPOSES

Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters for tariff purposes, as long as the differentiation does not amount to unfair discrimination. The nature and basis for differentiation for tariff purposes in Buffalo City Municipality is set out below. Each municipal service is not compelled to differentiate for tariff purposes, but where it does, the differentiation must be consistent with the framework set out below. Categories must be defined in the Municipal Service By-law and a separate tariff must be applicable for each category that is defined.

7.1 Categories of Users

The following categories of user may be differentiated, provided that they are defined in the Municipality's Rates Policy:

(a) Residential or Domestic;
(b) Commercial or Industrial;
(c) Agricultural or Farming;
(d) Public Service Infrastructure;
(e) Rural Communal Land;
(f) Formally Protected Areas;
(g) Education Institutions;
(h) Vacant Properties;
(i) Mining Properties; and
(j) Museums, Libraries, National Monuments, National Botanical Gardens and Heritage Sites..

In addition, sub-categories of residential or domestic users may be differentiated based on any one or more of the following criteria in a manner defined in the Municipality's Indigent assistance scheme:

(a) Settlement type;
(b) Property Value;
(c) Service consumption level;
(d) Payment levels;
(e) Household income; and
(f) Type of connection.

7.2 Categories of Service

Categories of service may be differentiated, but only if the basic service is defined for that municipal service in the Municipality's Indigent assistance scheme. The following criteria may be used in defining different categories of service:

(a) Type of service;
(b) Category of user;
(c) Level of consumption;
(d) Type of connection; and
(e) Time of use.

Certain categories of service may be restricted to certain categories of user. The basic service will be restricted to residential / domestic users.

7.3 Categories of Standards of Service

Different categories of standards of service may be defined for different categories of users or services. They may be based on:

(a) Access; and
(b) Frequency.

Categories of basic service may not have different standards of service.

8. CLASSIFICATION AND PRICING STRATEGIES OF SERVICES

There are basically three categories of municipal services (i.e. Trading, Rates and General and Housing services) which are discussed as follows:

8.1 Trading Services

These services are defined as services whereby the consumption of the service is measurable and can be accurately apportioned to an individual consumer. These services are hence managed like businesses. The tariffs for these services are budgeted for in such a way that at least a breakeven situation for the municipality will be realised. Examples of these services include water and electricity. The Council's pricing strategy for these services is to recover the full cost of rendering the service to the communities.

For this purpose full costs include:

- Direct operating costs; e.g. Salaries, allowances including overtime, materials used, repairs and maintenance, general expenses and plant and vehicle hire;
- Depreciation / capital charges based on usage, life of buildings, plant and equipment and infrastructure used;
- Financing outlays which include loan service costs; and
- Allocated costs that include costs allocated through support services.

8.2 Rates and General Services

This service is further classified into 3 categories; i.e. Economic, Subsidised and Community services.

(a) Economic Services

These are services for which tariffs are fixed in such a way that the full cost of providing the service is recovered without incurring a

surplus or deficit; e.g. trade effluent includes commercial and industrial refuse removal. The consumption of an economic service can be measured or determined with reasonable accuracy and apportioned to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.

These costs can be determined as follows:

- Full cost of providing the serviced as explained in 8.1 above; or
- The rate per unit is based on projected usage.

(b) Subsidised Services

These are services for which tariffs are fixed in such a way that at least a portion of the cost of providing the service can be recovered. The consumption of these services can be determined reasonably accurately and can be apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other persons.

Therefore, user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service. These services include fire fighting, approval of building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions.

(c) Community Services

These are services for which the Council is unable to accurately determine the consumption and hence apportion to individual consumers. These services are typically financed through property

rates. These services include the operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries and traffic regulation.

In addition to the above services domestic refuse and sewage removal is also a community service provided directly to all the residents and for which costs form part of a balanced budget. The Municipality also provides support services such as committee services, records and archives, financial management accounting and stores, occupational health and human resources management, which are financed through property rates.

8.3 Housing and Hostel Services

These are usually grouped into three categories, namely letting schemes, selling schemes and hostels. All income and expenditure transactions in respect of such schemes fall into this category and the objective of the service is to be economic; i.e. the operating income should cover the operating expenditure. In addition these functions are being carried out on an agency basis as these are not deemed as Local Government functions.

9. POLICY PROPOSAL

9.1 A minimum amount of basic services must be free

The Municipality subscribes to the policy that all poor households (as defined) are entitled to a minimum amount of free basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. These services include:

- Potable Water;
- Wastewater and Sewage Removal;

- Electricity; and
- Solid Waste / Refuse Removal.

The Council is aware that it currently does not provide these services to all residents within its municipal area. It is also aware that, more than likely, some of the services it currently provides in conjunction with the abovementioned services, may be transferred or assigned to other bodies. In the latter case, the Council commits itself to make representations and negotiate with those service providers to achieve its goal.

The Council realises that in order to achieve its goal, a minimum amount of basic services should be free to the poor, whilst tariffs for services above the minimum level of consumption will have to be increased. These increases are necessary to make good any shortfall resulting from free services and to ensure a balanced budget on the trading account. In order to ensure affordable services, the Council introduced a stepped tariff structure in which consumers that use more of a service (e.g. water) will pay progressively more for the higher consumption than those who consume less of the service.

9.2 Keeping Tariffs Affordable

The Council is keenly aware of the financial situation of most residents within the municipal area. Therefore, the Council undertakes to keep tariffs at affordable levels. The Council is also aware that, due to historical reasons, many residents receive services at a level higher than what they can afford. In order to remain affordable the Council will ensure that:

- Services are delivered at an appropriate level,
- Efficiency improvements are actively pursued across the Municipalities' operations,
- Any service that is provided for which there is little demand, be priced at the actual cost of providing it.

9.3 Introducing the "Consumer must pay principle"

Having regard for the abovementioned, Council's policy on minimum amount of free basic services for all poor households, the Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council will install metering systems as in the case of water usage, and to take into account the free service element. In this regard the Council will maintain a programme to install meters in appropriate cases. Also it is the Council's policy that the tariffs for such services must include all relevant cost factors.

9.4 Redistribution / Cross-Subsidisation

It is a fact that some members of the community are better able to afford to pay for the services that they use and have the benefit of, than others. The budget of the Municipality is an important device in ensuring redistribution within the community. Those that pay higher property rates based on the value of their properties, in fact subsidise those who pay less tax. The Council uses the trading surplus it realises on the trading account to bring relief with regard to property tax rates. Likewise the Council will ensure that the cross-subsidization occurs between and within services to further contribute to its redistribution objectives.

9.5 Promoting Local and Economic Competitiveness and Development

The size of the property rates and service charges accounts presented to the local businesses, is a significant business overhead for any business enterprise in the Municipal area. The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. The Council will take care that the municipal accounts presented to local businesses are fair. To ensure fairness toward local business, the Council will, when it determines tariffs, take into account the desire:

- To promote local economic competitiveness; and
- To promote local economic development and growth.

9.6 Ensuring Financial Sustainability of Service Delivery

The Constitution, Local Government Municipals Systems Act of 2000 and Water Services Act of 1997 require that the Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of the municipality will be achieved when it is financed in a manner that ensures that it exhibits, at least, a break-even position. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that charges to be levied must be collected. The Council will therefore adopt and apply a Credit Control and Debt Collection policy to ensure that property rates and service charges are fully recovered.

9.7 Indigents

The Indigent Assistance Scheme will apply to tariffs set by the Council. With regards to customer service agreements, deposits and guarantees, accounts and billing, and all other items pertaining to credit control and debt collection, related to tariffs, reference must be made to the Credit Control and Debt Collection Policy.

10. TARIFF DETERMINATION PROCESS

In terms of Section 75(A) of the Municipal Systems Amendment Act, Act No. 51 of 2002, a municipality may operate such that:

- It can levy and recover fees, charges or tariffs in respect of any function or service of the municipality,

- Fees and charges levied are passed by the municipal council with a supporting vote of a majority of its members.
- The proposed tariffs will be presented to the community during Council's consultations process for the IDP / budget.

Except in special circumstances, such as a significant increase in the wholesale price of goods and services the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above. Proposed tariffs will be presented to the community during the Community consultation process about the budget.

Immediately after the Council has determined or amended a tariff, the municipal manager must cause a notice to be conspicuously displayed at a place installed for this purpose at all the offices of the Municipality and / or as well as at such other places within the municipal area as she / he may determine.

The notice must state:

- The general purpose of the resolution;
- The date on which the determination or amendment comes into operation, which date may not be earlier than 30 days after the determination or amendment;
- The date on which the notice is displayed;
- That any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed; and
- That any person who cannot write may come, during office hours, to a place where a staff member of the Municipality named in the notice, will assist that person to transcribe her / his objection.

If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council.

Where an objection is lodged, the Municipality will consider every objection. The Council may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment or may determine another tariff, on the date on which the determination or amendment will come into operation. After the Council has considered the objections it will again give notice of the determination, amendment or date as determined above and will also publish it as determined by the Council.

PART 2
WATER AND SANITATION

11. SPECIFIC POLICIES FOR WATER TARIFFS

11.1 Consumer Categories

Water tariffs shall distinguish between at least three categories of consumers; namely Domestic water use, Industrial & Commercial water use and other water use.

11.2 Domestic Consumer Categories

Water tariffs for Domestic consumers shall distinguish between significantly different levels and standards of services provided and shall include at least the following four categories of Domestic consumers:

(a) Communal : Consumers (households) with access to communal water services (e.g. a public standpipe or a water-tanker service);

(b) Controlled : Consumers with access to a controlled volume of water supply;

(c) Full : Consumers with access to an uncontrolled volume of water supply which is metered; and

(d) Cluster : Consumers where one meter serves a multi-residential unit development.

11.3 Metering

All connections providing an uncontrolled volume of water supply shall be metered and tariffs shall be applied in proportion to water use. The amount of water feeding standpipes in informal settlements without title deeds should also be measured to assess the impact of this free water on the service, but should not be billed.

11.4 Consumption Tariffs – Domestic

(a) Communal : Where communal water supplies provide water for domestic use and where this water is, on average, less than 6 Kl per household per month, then no charge shall be levied on domestic households for this water.

(b) Controlled : Where water use is controlled to less than 6 Kl per connection per month then no charge shall be levied on domestic indigent households for this water. Where water in excess of 6 Kl per month is used a step tariff shall be applied to this additional water use, based on the AHC.

(c) Full : Consumption tariffs for uncontrolled volume, metered domestic connections shall be based on an increasing block structure with the first block set at 6 Kl per indigent connection per month with a zero charge and the last block should be set at an amount that would deter unnecessarily high water use and would reflect the incremental cost that would be incurred to increase the water supply infrastructure to meet the incremental growth in demand. The rising block tariff structure should consist of at least five steps. The consumption level at which the last step begins should be at an amount that would encourage water conservation and should not be greater than 60 Kl per month.

(d) Multi-Unit / Cluster : Consumption tariffs for multi-residential unit developments served by one meter will be set to recover at least the AHC once allowance is made for the free water allocation to the indigent. An allowance of 6 Kl per indigent unit will be available at zero cost upon submission of a signed affidavit stating the number of residential units supplied from that metered connection.

11.5 Consumption Tariffs – Industrial, Commercial and Other

Apart from instances where special tariffs are applied in terms of 6.7 above, the consumption tariffs for all other consumers should be set equal to at least the AHC. Separate consumption categories should be kept for Sporting Bodies / Schools and Municipal consumption to assist in Water Demand Management measures.

11.6 Consumption Tariffs – Schools, sports fields, clubs, churches, charities, etc.

The consumption tariff for these consumer groupings shall be the same as defined above for Industrial and Other.

Note: Any subsidies to these groupings should be made through other transparent mechanisms so as to not distort the incentives for the wise and economical usage of water.

11.7 Consumption Tariff for the provision of a Bulk Water Supply

The bulk water tariff is used to charge for bulk supply of potable water to consumers external to the Municipality, such as other local authorities who are dependent on part or all of their potable water supplies from Buffalo City Municipality and is also used as the basis for internal charges for the bulk supply of potable water within the Water and Sanitation Department.

The bulk water tariff is set on an annual basis to ensure full cost recovery for the provision of the bulk water service as well as the long term sustainability of the service.

11.8 Surcharge

The water tariff may include surcharges, subject to Council approval.

11.9 Fixed Charges – Domestic

There shall be no fixed monthly charge for consumers with uncontrolled volume connections. The domestic water tariff should, however, take into account and reflect these costs that are based on the cost of maintaining the water connection.

11.10 Fixed Charges – Industrial and Other

Monthly fixed charges for Industrial and Other connections shall be related to the size of the connection. The charge shall be based on the historic costs of maintaining the connection. Cost allocations should be clearly set up to ensure that historical costs can be measured and used effectively to determine accurate tariff charges that are truly cost reflective.

Note: It is essential that this component of the tariff be retained otherwise an important equity principle is compromised – domestic consumers pay for capacity expansion costs through the last step of the high marginal consumption block tariff.

11.11 Connection Charges

Connection charges for all consumer categories, except domestic consumers with controlled access to water supply, shall recover the full costs of connection. Cost allocations should be clearly set up to ensure that historical costs could be measured and used effectively to determine accurate tariff charges.

11.12 Flow restriction for non-payment

Domestic consumers with uncontrolled volume connections who fail to pay shall, after due process, have their uncontrolled water connections restricted.

11.13 Illegal re-connections

Consumers who, after having been disconnected for non-payment, reconnect illegally shall forfeit the right to the free basic water allocation until such time as the outstanding debt has been paid in full.

11.14 Disconnections – Other

All consumers with uncontrolled volume connections shall be disconnected for failure to pay after due process has been followed.

11.15 Water restriction tariffs

Special tariffs may be introduced during periods of water restrictions to reduce water use to within sustainable limits. A separate tariff schedule for water restrictions shall be developed.

11.16 Subsidies

Reasonable and appropriate cross-subsidisation may be applied between consumer categories. All applied subsidies (including those within and between consumer categories) must be disclosed to the extent that this is practical.

11.17 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and / or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on Council and / or consumers. The reasons for any departures must be recorded in writing.

11.18 Availability Charge

An availability charge shall apply to serviced vacant or undeveloped land.

12. SPECIFIC POLICIES FOR SANITATION TARIFFS

12.1 User Categories

Sanitation tariffs shall distinguish between at least three user categories; namely Domestic users, Industrial & Commercial users and Other users.

12.2 Domestic User Categories

The Sanitation tariff structure for domestic users shall distinguish between significantly different levels and standards of services and shall include at least the following five categories for domestic users:

(a) Communal : Users (households) with access to communal sanitation facilities (Rudimentary sanitation and communal ablution facilities);

(b) Full : Users with waterborne sanitation and uncontrolled discharge to a sewer network;

(c) On-Site Waterborne : Users with waterborne sanitation collected on site (Septic Tanks);

(d) On-Site : Users with a non-waterborne system collected on site (Bucket, Container or VIP); and

(e) Multi-Unit / Cluster : Users where one connection point serves a multi-residential unit development (Flats, Townhouses).

12.3 Universal Billing

All users are to be billed, unless provided with a rudimentary or basic service such as communal facilities.

12.4 Tariffs – Domestic

(a) Communal : No charge shall be rendered for the use of communal facilities.

(b) Full : Sanitation tariffs for domestic users are based on the size of the erf.

(c) On-Site Waterborne : Sanitation tariffs for this category of user are based on a clearance of at least once every 3 weeks per 4,5 kl load or part thereof.

(d) On-Site : This tariff shall be a fixed charge where necessary in the informal areas, depending on the mechanism. Different tariffs may apply to different systems.

(e) Multi-Unit / Cluster : Sanitation tariffs for users in multi-residential unit developments are based on the size of the property.

12.5 Tariffs – Industrial and Commercial

Sanitation tariffs for Industrial and Commercial users are based on a Pan charge per pan, plus an area charge based on the area of the land in square meters.

12.6 Tariffs – Other: Schools, Hospitals, Churches, Halls, Sporting Bodies, Municipal users, etc

Sanitation tariffs for users in this category are based on a Pan charge per pan.

12.7 Surcharge: Extraordinary treatment cost

Where the pollution loading (quality) of wastewater discharged into the sewerage system exceeds the pollution loading of ordinary domestic wastewater, the specific user or industrialist will have to accept responsibility for the additional treatment cost.

This additional charge shall be based on the formulae as stipulated in the applicable sanitation by-law. This additional charge shall be billed monthly.

12.8 Connection Charges

Connection charges for all consumer categories shall recover the full costs of the sewer connection. Correct cost allocation should be set up in the financial system to ensure that costs are recovered by the relevant tariff and that no inappropriate subsidisation occurs.

12.9 Disconnections

Due to the health risk related to effluent, a sewerage connection should not be disconnected if a user fails to pay. The water supplied to the user may be restricted in terms of the Credit Control and Debt Collection Policy that in tum will minimize the effluent discharge.

12.10 Availability Charge

An availability charge shall apply to serviced vacant or undeveloped land.

12.11 Subsidies

Reasonable and appropriate cross-subsidisation may be applied between consumer categories. All applied subsidies (including those within and between consumer categories) must be disclosed to the extent that this is practical.

12.12 Contributions

Income from sanitation charges should not be used to subsidise other services.

12.13 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and / or where the phased adoption of the policy or

policies would reduce an otherwise onerous burden on Council and / or consumers. The reasons for any departures must be recorded in writing.

13. UNDERGROUND LEAKAGE REBATES ON WATER ACCOUNTS

13.1 Philosophy

The Municipality should seek to address the problem of underground leaks on private property in a caring and understanding manner by granting an "underground rebate" for *bona fide* claimants of underground plumbing leaks and should share the costs on an equal basis with the consumer. Care needs to be taken to minimize the abuse of the rebate system by excluding leaks on plumbing to convenience fixtures such as irrigation systems and automatic filling systems to ponds, pools, fountains, etc., where the possibility of disconnection of those systems form the primary erf plumbing would have prevented the water waste in the first instance.

13.2 Plumbing leaks subject to the rebate system

Rebates shall only be granted in the case of leaks that are not visible to the eye on the erf's primary plumbing which would normally be kept pressurized for normal household activity requirements.

13.3 Derivation of rebates for underground leaks

Rebates for underground leaks shall be determined by establishing the difference between the "average" consumption over a corresponding consumption period and the increased consumption resulting from the underground leak.

This difference shall then be halved and the consumer shall be charged for the half of the consumption associated with the underground leak at a rate deemed to be the reticulated water cost.

The reticulated water cost, (Rc), shall be derived as follows:

- Rc (R / Kl) = Bulk Water Cost (R / Kl)
- plus estimated distribution cost (excluding contribution to any Rates, Tariff stabilization, Asset financing funds in Rands), divided by estimated water sales in Kl.

13.4 Time period over which the rebate will extend

It is considered reasonable that two months of actual metered high water consumption would be sufficient time to alert a consumer to the possibility of water leakage. A further month is considered a reasonable time to have the leak repaired. Accordingly, the total period over which the rebate will extend is defined as the period covering the last three municipal bills based on actual water meter readings.

Note: This period may be in excess of three months if bills are based on estimated consumption.

13.5 Steps to minimize the abuse of the rebate system

All rebate claims will be subjected to the production of a certificate by the claimant, detailing the exact location of the leak on the property, the nature of the leak and the steps taken to repair the leak. The Council reserves the right to inspect all leakage repairs that are subject to rebate claims. The Council also reserves the right to grant rebates at its sole discretion.

Each erf shall be limited to two rebate claims in each twelve-month period. A property shall also be limited to a maximum of three rebates.

All documentation around rebate claims shall be filed for audit scrutiny as and when required.

PART 3
ELECTRICITY

14. SPECIFIC POLICIES FOR ELECTRICITY

14.1 Electricity Tariffs

Electricity tariffs may consist of Cost Reflective tariffs, Connection Fees, Sundry tariffs, Special tariffs, Development Levies and Subsidised tariffs as contained in the Schedule of Tariffs.

Any approved increases in the tariff shall be applied to the monthly accounts on a pro-rata basis from the day on which the revised tariff is implemented.

14.2 Categories of users

Electricity consumption based tariffs shall distinguish at least between Domestic Customers and Commercial / Industrial Customers and shall have sub-categories for Domestic Customers based on levels of service consumption and / or type of connection. Domestic tariffs are not dependant on the type of meter installed.

14.3 Categories of service

Electricity tariffs shall be defined for different categories of service provided where these categories of service are based on:

(a) Type of service (may include Wheeling and the supply of Green Energy);
(b) Level of Service Consumption;
(c) Type of Connection; or
(d) Time of use.

14.4 Application of tariffs

Electricity tariffs shall be applied consistent with the categories of users and categories of service, provided that final discretion resides with the Service Provider.

14.5 Consumption Based Tariffs

Electricity consumption based tariffs shall include cost reflective tariffs and subsidised tariffs.

14.6 NERSA Approval

Electricity consumption based tariffs shall be approved by NERSA.

14.7 Universal Metering

The supply of electricity shall be metered by means of a meter at the point of supply or at an alternate point determined by the Service Provider.

Where the supply to a premises is transferred to a different customer more than twice in a twelve-month period, e.g. holiday homes, or the credit risk is high, the owner of the property may be required to install a pre-payment meter.

14.8 Availability Charge

An availability charge shall apply to serviced vacant or undeveloped land.

14.9 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and / or where the phased adoption of the policy or

policies would reduce an otherwise onerous burden on Council and / or consumers. The reasons for any departures must be recorded in writing.

PART 4

SOLID WASTE MANAGEMENT (REFUSE REMOVAL)

15. SPECIFIC POLICIES FOR SOLID WASTE MANAGEMENT

15.1 Categories of users

Council shall distinguish all waste collection services between three user categories, namely: Residential properties, Non-residential properties, Institutions and Vacant properties. Waste management tariffs for Council-provided services, or those provided by other entities on behalf of Council, shall accordingly distinguish between the same three user categories.

15.2 Residential Properties

A separate fixed monthly refuse removal charge, based on the costs of the service concerned, shall apply to all Domestic users for once weekly removal (Strictly two bags of refuse and one bag of Garden Refuse). Residential properties will be billed in terms of the prevailing service, irrespective whether the service is used or not, or whether no waste is generated.

In the event where the Resident has generated more waste than is stated above including bulky waste or excess refuse due to occupation of backyard and out buildings, they must inform the BCMM so that special arrangement for removal and disposal with an additional charge can be made. (Note: Bulky waste is waste that cannot be put in a refuse bag or wheelie bin where possible, e.g. old furniture, building rubble etc.).

In all instances the property owner will be billed and not the tenant. Council will not enter into an agreement for service delivery or additional service delivery with a tenant. Only in the case of Sectional Title developments will the Body Corporate be billed. Existing billing of tenants will be phased out.

15.3 Non-residential Properties

The waste management tariff structure for Business and other users shall distinguish between five different levels and standards of service, namely:

(a) Once weekly removal (85, 240 and 420L bins);
(b) twice weekly removal (85, 240 & 420L bins);
(c) thrice weekly removal (85, 240 & 420L bins);
(d) 4 times weekly removal (85, 240 & 420L bins);
(e) 5 times weekly removal (85, 240 & 420L bins); and
(f) bulk consumers ($6m^3$ containers, 0.77 cubic meter and 1.1 cubic meter sprico's).

Billing categories will be per application and in accordance with the Credit Control and Debt Collection Policy. Non-residential properties will be billed in terms of a fixed agreement. The charges will not be variable, irrespective whether the service is used or not, or whether no waste is generated. In all agreements the property owner will be billed and not the tenant. Existing agreements with tenants will be phased out. It should be noted that non-residential property owners must be registered as waste generators with the Department of Solid Waste Management Services in order to determine the charge for their respective service.

15.4 Vacant Land/Properties

The waste management tariff structure for Vacant Properties provides for a fixed availability charge, irrespective of its current or future zoning.

All vacant properties within the municipal area are considered to be serviceable. Billing is automatic and no service delivery agreement is required. The account is directly linked to the vacant erf number and served on the property owner.

15.5 Waste disposal

(a) Transfer Stations

Disposal of general waste at transfer stations are based on a fixed rate per mass of waste disposed, including an additional rate for transport, based on the mass of waste disposed or the carrying capacity of the vehicle.

(b) Garden Transfer Station

Disposal of garden waste at transfer stations are based on a fixed rate per mass of waste disposed, including an additional rate for transport, based on the mass of waste disposed or the carrying capacity of the vehicle.

(c) Disposal Sites (excluding Transfer Stations)

Disposal of general waste and treated healthcare risk waste at disposal sites (other than transfer stations) are based on a fixed rate per mass of waste disposed or the carrying capacity of the vehicle.

(Note: Only Roundhill Landfill Site is permitted to accept healthcare risk waste within the BCMM. For disposal of other wastes like condemned wastes, animal carcasses etc., special arrangements must be made.)

15.6 Area Cleaning

Illegal dumping and or cleaning before, at or after events will be based on actual cost plus a % for Administrative Costs.

15.7 Application for supply of services: Solid Waste

All property owners must complete the application form for the supply of services on registration of the property or anytime subsequent on change of service level requirements.

15.8 Adjustment to Accounts

An executive official shall have delegated authority to adjust accounts on documented proof of an amended service level (agreement, letter, etc) and the applicable date of change. If no proof of amended service level exists and the service level verified by Council is different to the financial billing, then it will be corrected from date of first report. It must be noted that it is the responsibility of the property owners to notify the Department of Solid Waste Management Services of any intention for the adjustment of the service level and termination of service.

15.9 Subsidies

Reasonable and appropriate cross-subsidisation may be applied between user categories. All applied subsidies (including those within and between user categories) must be disclosed to an extent where it is practical.

15.10 Contributions

Income from Disposal charges should not be used to subsidise other services. Income from Collection charges could be used to subsidise Solid Waste rates services for the provision of integrated collection, disposal and cleaning services to informal households.

15.11 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at

the present time and / or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on Council and / or consumers. The reasons for any departures must be recorded in writing.

15.12 Terminations

Termination of service is to be done by letter, e-mail, fax or standard disconnection form. If this is not done, then the disconnection date of electricity supply may be taken as the date of termination.

PART 5
OTHER MINOR TARIFFS

16. SPECIFIC POLICIES FOR OTHER MINOR TARIFFS

16.1 All minor tariffs shall be standardised within the municipal region;

16.2 All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

16.3 All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing CPIX, unless there are compelling reasons why such adjustment should not be effected.

16.4 All minor tariffs shall be applicable to sundry services rendered by the Municipality and could be categorized as economic services, subsidized services or community services.

16.5 Minor tariffs will be set for, but not be limited to the following services:

- Administration services;
- Boat registration;
- Building plan fees;
- Burials and cemeteries;
- Clearance certificates;
- Connection fees in respect of electricity, water and sewerage;

- Development planning services;
- Environmental services;
- Fees payable in terms of the Access to Information Act;
- Fire and Emergency services;
- Fresh produce market;
- Grave and garden of remembrance (cremations) maintenance;
- Housing rentals;
- Livestock and plant sales;
- Municipal Aquarium;
- Municipal botanical garden and all other parks and open spaces;
- Municipal hall and other premises rental(subject to the proviso set in [16.7] below);
- Municipal lending library (except for fines set out in [16.6] below);
- Municipal museum and Art gallery;
- Municipal reference library;
- Municipal sports facility rental;
- Municipal swimming pools and beaches;
- Municipal zoo;
- Municipal resorts and caravan parks;
- Photostat copies and fees;
- Refuse bag sales;
- Refuse bin sales;
- Scientific services;
- Stand / plot clearing services
- Rental of bulk containers.

16.6 The following charges and tariffs shall be considered as regulatory or punitive and shall be determined as appropriate in each budget:

- Fines for lost or overdue library books;
- Advertising sign fees;
- Pound fees;

- Disconnection and reconnection fees for electricity and water;
- Penalty and other charges imposed in terms of the approved policy on Credit Control and Debt Collection;
- Penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques

16.7 Market related rentals shall be levied for the lease of municipal properties at all times. If, however, in the case of rentals for the use of municipal halls and premises, the Municipal Manager is satisfied that the halls or premises are required for non-profit making purposes **and** for the provision of a service to the community, he / she may waive a portion of the applicable rental;

16.8 The Municipal Manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields and, in so determining, shall be guided by the likelihood of the municipality sustaining damages as a result of the use of the facilities concerned;

16.9 The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

BUFFALO CITY METROPOLITAN MUNICIPALITY

INVESTMENT AND CASH MANAGEMENT POLICY

TABLE OF CONTENTS

		PAGE
1.	Definitions	3
2.	Introduction and Background	4
3.	Adoption	5
4.	Purpose	5
5.	Scope and Application	5
6.	Objectives of the Policy	6
7.	Investment Ethics	7
8.	Cash Management	9
9.	Permitted Investments	11
10.	Prohibited Investments	12
11.	Diversification of Investments	13
12.	Competitive Selection Process	14
13.	Investment Issues Pertaining to Council Approval	14
14.	Internal Control over Investment Function	15
15.	Reporting and Monitoring Procedures	18
16.	Use of Independent Investment Managers	20
17.	Accounting for Investments	20
18.	Annual Review of Policy	21
19.	Conclusion	21
20.	Effective Date	21

1. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and other related legislation / regulations, has the same meaning as in that Act.

- **"Accounting Officer"** – means the Municipal Manager and *vice versa*;
- **"Act"** – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- **"Assignee"** – means a person with a delegated authority;
- **"Bank"** – means an institution recognized by the Registrar of Banks;
- **"Cash"** – means money, such as bank notes, coins, or cash equivalents;
- **"Chief Financial Officer"** – means an officer of the Municipality, designated by the Municipal Manger to be administratively in charge of the financial affairs of the municipality;
- **"Council" or "Municipality"** – means the Municipal Council of Buffalo City Municipality as referred to in Section 18 of the Municipal Structures Act;
- **"Delegatee"** – means an official / person delegated to perform tasks on behalf of another person;
- **"Delegated Authority"** – means any person / persons / committee delegated with the authority to act on behalf of Buffalo City Municipality;
- **"Diversification of Investments"** – means investing in more than one or more than one type of financial instrument;
- **"Investee"** – means an institution with which an investment is placed, or its agent;
- **"Investment"** – means:
  (a) the placing on deposit of funds with a financial institution; or
  (b) the acquisition of monetary assets with funds not immediately required, with the primary aim of preserving those funds;

- **"Investment Ethics"** – means the ethical framework within which investments must take place;
- **"Investment Manager"** – means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act No. 55 of 1989) and / or the Stock Exchange Control Act, 1985 (Act No. 1 of 1985), contracted by the Municipality or Municipal Entity to:
  (a) advise it on investments;
  (b) manage investments on its behalf; or
  (c) advise it on investments and manage investments on its behalf;
- **"Liquidity"** – means the ease with which financial instruments can be converted to cash or cash equivalents;
- **"Long Term Investment"** – means a financial instrument with a lifespan or maturity of greater than 12 months;
- **"Municipal Entity"** – means the developmental arm of the Municipality established in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- **"Short Term Investment"** – means a financial instrument with a lifespan or maturity of less than 12 months;
- **"Trust Money"** – means money held in trust on behalf of third parties in a trust contemplated in terms of Section 12 of the Act.

2. INTRODUCTION AND BACKGROUND

Section 13(1) and (2) of the Act requires that a municipality establish an appropriate and effective cash management and investment policy within which the municipality must (a) conduct its cash management and investments; and (b) invest money not immediately required, in accordance with any framework which may be prescribed.

National Treasury issued municipal investment regulations on 1 April 2005 (Gazette No. 27431) which sets out a framework within which all municipalities must conduct their cash management and investments.

An obligation rests with the Accounting Officer to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long term viability and sustainability of the municipality.

This policy is consistent with both the Act and the gazetted framework.

3. ADOPTION

The Council must formally adopt an investment policy which shall be consistent with the Act and its regulations.

All investments made by the Municipality, or by an Investment Manager on behalf of the Municipality, must be in accordance with this policy, and with any investment regulations promulgated by national government.

The effective date of this policy shall be the date of its adoption by Council.

4. PURPOSE

The purpose of this policy is to secure the sound and sustainable management of the Municipality's surplus cash and investments.

5. SCOPE AND APPLICATION

The policy governs the investment of money not immediately required by the Municipality for the defrayment of expenditure.

The policy applies to all new and existing investments made by:

- the Municipality; and
- all Investment Managers acting on behalf of the Municipality in making or managing investments.

The policy does not apply to trust money administered by the Municipality where the trust deed prescribes how the trust money is to be invested.

The Board of Directors of all Municipal Entities must adopt this policy. Further, the same Municipal Entities must submit reports, as detailed in the Reporting and Monitoring Procedures, in the same manner as the Municipality, to the Executive Mayor.

6. OBJECTIVES OF THE POLICY

The objectives of the policy are:

(a) to ensure compliance with the relevant legal and statutory requirements relating to cash management and investments;

(b) to ensure the preservation and safety of the Municipality's investments;

(c) to ensure the diversification of the Municipality's investment portfolio across acceptable investees, permitted types of investments and investment maturities;

(d) to ensure that the liquidity requirements of the Municipality are properly addressed;

(e) to ensure the highest return on investment at minimum risk, within the parameters of authorized instruments as per the Act; and

(f) to ensure timeous reporting of the investment portfolio as required by the Act in accordance with Generally Recognised Accounting Practice.

7. INVESTMENT ETHICS

7.1 Investments made by or on behalf of the Municipality:

(a) must be made whilst maintaining a strict code of ethics and standards;

(b) must be genuine investments and not an investment made for speculation;

(c) must be made with primary regard to the security of the investment, secondly to the liquidity of the Municipality and, lastly, to the return on the investment;

(d) must be made without internal or external interference, whether such interference comes from individual officials, councilors, agents, investees or any external body.

7.2 Fees, commission, other rewards or gifts

(a) No fee, commission or other reward may be paid to a councilor or official of the Municipality, or to a spouse or close family member of such councilor or official, in respect of any investment made by the Municipality. This shall be confirmed annually by all investees to the Auditor General;

(b) No councilor or official of the Municipality may accept any gift from an investee or its agent, unless that gift can be deemed so small that it would not have an influence on his / her relationship with the said institution. Such gifts must be dealt with in accordance with Council's Gifts and Benefits Policy.

7.3 Risk Management

The preservation and safety of investments is the foremost objective of the investment policy. To attain this objective, diversification is required to ensure that the Municipal Manager or his / her delegatee prudently manages risk exposure. Risk profiles should be minimized by only placing investments with institutions and instruments approved by the Public

Investment Commission or the National Minister of Finance of the Republic of South Africa.

7.4 Prudence

Investments shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person, acting in a like capacity and familiar with investment matters, would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. Investment officials are required to:

(a) Adhere to written procedures and policy guidelines;

(b) Exercise due diligence;

(c) Prepare all reports timeously;

(d) Exercise strict compliance with all legislation.

7.5 Ownership

All investments made by or on behalf of the Municipality must be made in the name of Buffalo City Municipality.

7.6 Confidentiality

(a) Although alternative rates on offer need to be discussed when negotiating a rate on an investment, the disclosure of a specific rate from a specifically named investee to another investee shall be strictly prohibited;

(b) The Municipality's current cash position and its projected future cash flows shall not be discussed with or disclosed to investees.

8. CASH MANAGEMENT

The Accounting Officer, *inter-alia*, has to ensure financial viability and sustainability of the Municipality. In order to achieve this in a sustainable manner, the Chief Financial Officer must ensure that internal financial systems and controls are in place that will enable the Municipality to detect the mismanagement of funds.

8.1 Cash Collections

The Municipality shall ensure that all cash received via the cash offices is collected and banked as early as possible in a controlled and secure manner.

Adequate cash receipting points shall be made available to the public in all areas to facilitate prompt payment of accounts.

Every effort shall be made to encourage consumers to pay directly, or via third party agents, into the Municipality's bank account by electronic means.

8.2 Payment of suppliers / creditors

Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per month. Should the facility be available, payments should be done by electronic transfer (subject to strict controls).

When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered, i.e:

- In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, must in most

cases be more than any investment benefit that could be received from temporarily investing the funds;

- If discounts are offered for early settlement they must be properly considered and utilized;
- Besides this, the normal conditions of credit terms of payment offered by suppliers must also be considered and utilized to the full by paying on the due date and not earlier, provided that no worthwhile discount is available or offered.

8.3 Current bank account balance

The balance of the Municipality's current account shall be maintained at the minimum level possible, taking into account daily cash requirements. Surplus cash shall immediately be invested in order to maximize interest earnings.

8.4 Cash Flow Estimates

Effective cash flow forecasting is essential for determining the timing and size of cash surpluses and deficits affecting investment decisions. The Accounting Officer or his / her delegatee shall prepare forecasts of cash receipts and payments on a regular basis to determine the availability of funds after meeting the necessary obligations.

8.5 Cash Flow Reporting

In order to insure effective cash management for investment purposes, the following cash flow reports shall be prepared:

(a) Daily

- A summary of the preceding day, and month to date, closing bank account and investment balances, cash receipts, payments and inter-bank transfers;
- A detailed schedule of investment capital and interest maturing on the current day;

- A summarized schedule of daily investment maturities for all existing investments;
- A summary of daily cash receipts and payments, actual against forecast, for month to date; and
- A daily projection of cash receipts and payments through to the end of the current month.

(b) Monthly

- A comparison of actual cash flow against forecast, current month and year to date;
- An explanation of variances in the above;
- An analysis of actual year to date cash receipts and payments, and projected cash flows for the remaining months of the current financial year to be submitted to National Treasury;
- The cash backing of statutory funds and reserve balances at month-end.

(c) Quarterly

- A revised detailed cash flow projection for the next 12 months.

(d) Annually

- Preparation of the annual cash flow budget for the new financial year.

9. PERMITTED INVESTMENTS

The National Minister of Finance, in consultation with the Financial Services Board, may in terms of Section 168 of the Act, by regulation identify instruments or investments other than those referred to below in which the Municipality may invest:

- Securities issued by the National Government;

- Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 45 of 1984);
- Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Guaranteed endowment policies with the intention of establishing a sinking fund;
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990); and
- Municipal Bonds issued by a Municipality.

10. PROHIBITED INVESTMENTS

10.1 The Municipality shall not be permitted to make the following investments:

(a) Investments in listed or unlisted shares or unit trusts;

(b) Investments in stand alone derivative instruments;

(c) Investments denominated in, or linked to, foreign currencies, and

(d) Investments in market linked endowment policies.

10.2 The Municipality shall not borrow for the purpose of investing;

10.3 Any investment in capital or money market instruments shall be held until maturity. The Municipality shall not buy or sell these instruments to speculate with a view to making capital profits.

11. DIVERSIFICATION OF INVESTMENTS

11.1 Investee Limits

(a) The Chief Financial Officer must ensure that the available funds are not invested with one institution;

(b) Maximum investment levels shall be set for each approved investee and these limits shall not be exceeded at the time of making the investment (*currently capped at a maximum of 30% per institution*);

(c) Investee limits shall be reviewed annually, or as required upon the addition or deletion of an institution to or from the list of approved deposit taking investees;

(d) The maximum term for any investment, other than ceded investments, may not exceed 24 months.

11.2 Credit Ratings

(a) The Municipality shall invest only with investees having an investment grade rating of [AA] or better;

(b) Should the investee's credit rating be downgraded as a result of the sovereign rating being downgraded and fall below the grades specified in (a) above, the municipality shall still be allowed to invest with those investees.

(c) The municipality shall not invest with an investee whose credit rating was downgraded as result of such investee's own financial operations.

(d) The municipality must liquidate an investment where the credit rating falls below the acceptable rate.

11.3 Credit Worthiness

(a) The Municipality must ensure that it places its investments only with credit-worthy investees;

(b) The credit worthiness of every investee shall be monitored throughout the year on an ongoing basis;

12. COMPETITIVE SELECTION PROCESS

The selection of an investee for any investment shall be a competitive process. Where applicable, quotations shall be invited telephonically from at least three eligible investees for the terms for which the investment is to be placed. In the event of one of the investees offering a more beneficial rate for an alternative term, the other investees initially invited to quote should be approached for their rates on the alternative term. As a general rule, subject to 7.1.(c) and 11.1 above, the best rate offered shall secure the investment.

13. INVESTMENT ISSUES PERTAINING TO MUNICIPAL COUNCIL APPROVAL

When obtaining telephonic quotations, the following information is required:

- The name of the person who gave the quotation;
- The relevant terms and rates; and
- Other facts such as if interest is payable on a monthly basis or on a compounded basis upon maturation.

Where payments to financial institutions in respect of investments are to be effected, the following procedures must apply:

- The delegated Treasury Official must complete a requisition form and submit it to the Chief Financial Officer together with the supporting quotations and other relevant documentation;
- The Chief Financial Officer must either authorise the requisition or submit it to the Municipal Manager for authorization depending on the value of the investment;
- After the requisition has been authorized, the Municipal Manager and the Chief Financial Officer, or their delegated signatories are required to sign

the cheque / transfer letter and submit it to the financial institution concerned; and

- All investment documents must be signed by two authorised cheque signatories.

The Chief Financial Officer must ensure that a bank, insurance company or other financial instrument, which at the end of the financial year holds, or at any time during a financial year held, an investment of the Municipality must:

- Within 30 days after the end of that financial year notify the Auditor General, in writing, of that investment, including the opening and closing balances of that investment in that financial year;
- Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor General; and
- Promptly disclose information of any possible or actual change in the investment portfolio that could or will have a material adverse effect.

14. INTERNAL CONTROL OVER INVESTMENT FUNCTION

14.1 Delegation of Authority

The delegation to authorise investments must distinguish between short term and long term investments. The authority to make long term investments as provision of security, is vested with the Municipal Council in terms of Section 48 of the Act and with reference to Section 11 (1) (h) of the Act, dealing with cash management, the responsibility to make short term investments lies with the Municipal Manager or the Chief Financial Officer or any other senior financial official authorised by either the Municipal Manager of the Chief Financial Officer.

The Local Government Municipal Systems Act of 2000 Section 3 (60) (2), states that the Municipal Council may only delegate to an Accounting Officer, Executive Committee, Executive Mayor or Chief

Financial Officer decisions to make investments on behalf of the municipality within a policy framework determined by the Minister of Finance.

The Chief Financial Officer is responsible for the investment of the municipality's funds that are made under Section 13 of the Act.

14.2 Approved Investees

Any additions to or deletions from the list of approved investees, or any changes to the investment limits assigned to each investee, shall be approved jointly by the Municipal Manager and the Chief Financial Officer or their assignees.

14.3 Investments made

The following supporting documents must be attached for each investment:

- Signed copy of authority to invest funds;
- Signed copy of transfer of funds letter;
- Signed copy of cheque requisition;
- Signed copy of verification of investment banking details;
- Signed copy of confirmation to invest;
- Confirmation by Municipality's bank that funds were invested;
- Printout by Municipality's bank of electronic internet payment receipt;
- Confirmation from investee that investment was made;
- Printout by Municipality's bank reflecting the investment amount;
- For own funds, the most recent cash on hand calculation indicating the availability of funds to be invested; and
- For Grants and Trust Funds, a copy of the payment advice as proof of funds received.

14.4 Investments withdrawn

The following supporting documents must be attached for each withdrawal:

- Signed copy of transfer of monies letter;
- Reconciliation between bank statement balance and general ledger balance;
- Copy of bank statement reflecting the amount available;
- General ledger reconciliation reflecting the balance;
- Confirmation from bank that withdrawal was made;
- Copy of payment advice;
- Copy of receipt;
- Printout from Municipality's bank reflecting withdrawal amount; and
- For own funds, most recent cash on hand calculation indicating the need to withdraw funds and the availability of funds to withdraw.

14.5 Control over Investment Portfolio

A proper investment register shall be maintained of all investments made, indicating at a minimum the following:

- Name of the investee;
- Capital amount invested;
- Date invested;
- Interest rate;
- Maturity date; and
- Interest amount earned on investment

The investment register, reconciled to the accounting records on a monthly basis, must be examined by a senior official under the direction of the Chief Financial Officer or his / her delegatee on a fortnightly basis to identify investments falling due in the next two weeks. An investment plan must then be established for the next calendar month, bearing in mind the cash flow requirements.

Interest must be correctly calculated and receipted timeously together with any capital which matures or any other distributable capital. The Chief Financial Officer or his / her delegatee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.

The following investment documents and certificates, at a minimum, must be safeguarded at all times:

- Fixed deposit letter or investment certificate;
- Receipt for capital invested;
- Copy of electronic transfer or cheque requisition;
- Schedule of comparative investment figures;
- Commission certificate, indicating that no commission was paid on the investment; and
- Interest rate quoted.

Investees must record all investments in the name of the Municipality.

15. REPORTING AND MONITORING PROCEDURES

Regular reporting mechanisms shall be in place in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

As a minimum, the following reports shall be prepared:

15.1 For Internal Treasury management

- A daily summary of current investments per investee;
- A detailed schedule of investment capital and interest maturing on the current day;

- A daily summarized schedule of future maturities for all investments; and
- A monthly reconciliation of all interest accrued with interest already received.

15.2 For the Executive Mayor and Council

- A monthly report, within 10 working days of each month, on the investment portfolio to be submitted to the Executive Mayor, and thereafter the Finance Portfolio Committee for information, detailing:
  (i) the market value of each investment as at the beginning of the reporting period;
  (ii) any changes in the investment portfolio during the reporting period;
  (iii) the market value of each investment at the end of the reporting period; and
  (iv) fully accrued interest and yield for the reporting period.
- A quarterly report, within 30 days after the end of each quarter, to Council, in accordance with Section 11 (4) (a) of the Act, on the quarter's cash withdrawals from the Municipality's bank account for investment purposes.

15.3 For External parties

- Notification to the Auditor General, within 30 days after the end of the financial year, by all investees of any investment held by them for the Municipality during that year;
- Notification to the Auditor General and the Provincial Treasury, within 90 days, of the name, type and account number of any new bank account opened by the Municipality.

16. USE OF INDEPENDENT INVESTMENT MANAGERS

The Municipality shall be permitted to employ investment managers to:
(a) advise it on its investments; and / or
(b) manage specific investments on its behalf.

Appointment of an investment manager shall be made in accordance with the Municipality's Supply Chain Management Policy.

All investments made by an investment manager on behalf of the Municipality must be in accordance of this policy and with National Treasury regulations.

If an investee pays any fee or commission to an investment manager in respect of the Municipality's investments, both the investee and the investment manager must declare such payment to the Municipality by way of a certificate disclosing full details of the payment.

Investment managers found guilty of non-compliance with this policy, or the National Treasury investment regulations, shall be held liable for any loss or penalty suffered by the Municipality.

17. ACCOUNTING FOR INVESTMENTS

The Municipality's investments shall be accounted for in accordance with the Municipality's approved accounting policies and will be treated either as available-for-sale financial assets (AFSFA) or held-to-maturity (HTM) investments.

Current and non-current investments, as well as cash and cash equivalents, are stated at cost as available-for-sale financial assets (AFSFS). Held-to-

maturity (HTM) investments are investments purposely held until maturity and must be quoted on the financial markets, i.e. JSE.

18. ANNUAL REVIEW OF POLICY

This policy will be reviewed regularly or when so required by changes to legislation. Any changes to this policy must be adopted by Council and be consistent with the Act and any National Treasury regulations.

19. CONCLUSION

The Municipal Manager, in particular, and the Chief Financial Officer must ensure that the operationalisation of this policy is done according to the prescripts. Any deviations due to unforeseen circumstances must be brought to the attention of the Municipal Council in a written form together with the recommended remedial solutions thereof.

20. EFFECTIVE DATE

The effective date of this policy shall be 1 July 2015.

BUFFALO CITY METROPOLITAN MUNICIPALITY

LONG-TERM BORROWING POLICY

TABLE OF CONTENTS

		PAGE
1.	Definitions.....	3
2.	Introduction and Background.....	4
3.	Scope and Application.....	5
4.	Objectives.....	6
5.	Conditions under which Municipal Debt may be incurred.....	6
6.	Security.....	8
7.	Approval.....	10
8.	Internal Control over Borrowing.....	11
9.	Reporting and Monitoring Procedures.....	12
10.	Financial Viability.....	13
11.	Ratios used to determine the city's ability to borrow.....	14
12.	Compliance with financial service provider requirements.....	14
13.	Annual Review of Policy.....	18
14.	Effective Date.....	18

1. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and / or other related legislation / regulations, has the same meaning as in that Act.

- **"Accounting Officer"** – means the Municipal Manager and *vice versa*;
- **"Act"** – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- **"Chief Financial Officer"** – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;
- **"Council" or "Municipality"** – means the Municipal Council of Buffalo City Municipality as referred to in Section 18 of the Municipal Structures Act;
- **"Creditor"** – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;
- **"Debt"** – means –
  (a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or
  (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.
- **"Delegatee"** – means an official / person delegated to perform tasks on behalf of another person;
- **"Financial Statement"** – means statements consisting of at least –
  (a) a balance sheet (statement of financial position);
  (b) an income statement (statement of financial performance);
  (c) a cash-flow statement;
  (d) any other statements that may be prescribed; and

(e) any notes to these statements.

- **"Financial year"** – means a year ending 30 June;
- **"Financing Agreement"** means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;
- **"Lender"** – in relation to a municipality means a person or service provider who provides debt finance to a municipality;
- **"Long Term Debt"** – means debt which is repayable over a period exceeding 12 months;
- **"Municipal debt instrument"** – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;
- **"Security"** – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor;
- **"Short Term Debt"** – means a debt which is repayable over a period not exceeding 12 months;

2. INTRODUCTION AND BACKGROUND

The Municipality may only incur debt in terms of the Municipal Finance Management Act, Act No. 56 of 2003. The Municipality may incur two types of debt, namely short-term and long-term debt.

2.1 Short Term Debt

The Municipality may incur short-term debt only when necessary to bridge:

(a) Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistically anticipated income to be received within that financial year; or

(b) Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long- term debt commitments.

The Municipality:

(a) Must pay off short-term debt within a financial year; and

(b) May not renew or refinance its short-term debt.

2.2 **Long Term Debt**

The Municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No. 108 of 1996, and Chapter 7 on Local Government, to:

(a) Provide democratic and accountable government for local communities;

(b) Ensure the provision of services to communities in a sustainable manner;

(c) Promote social and economic development;

(d) Promote a safe and healthy environment; and

(e) Encourage the involvement of communities and community organizations in the matters of local government.

3. SCOPE AND APPLICATION

This policy governs the taking up of new loans, as well as the maintenance and redemption of existing loans. It specifically applies to:

(a) Conditions under which municipal debt may be incurred;

(b) Security;

(c) Approvals;

(d) Internal Controls,

(e) Reporting & Monitoring Procedures;

(f) Financial viability;
(g) Ratios used to determine the City's ability to borrow;
(h) Compliance with financial service provider requirements;
(i) Compliance with Municipal Regulations on Debt Disclosure;
(j) Borrowing Process; and
(k) Notification to National Treasury

4. OBJECTIVES

The objectives of this policy are to:

(a) ensure compliance with the relevant legal and statutory requirements relating to municipal borrowing;
(b) record the circumstances under which the Municipality may incur debt;
(c) describe the conditions that must be adhered to by the Accounting Officer or his / her delegatee when a loan application is submitted to Council for approval;
(d) set out the internal control measures applicable to the maintenance and redemption of loans;
(e) ensure timeous reporting on the loans register as required by the Act and in accordance with Generally Recognised Accounting Practice; and
(f) record the key performance indicators to ensure access to the money markets.

5. CONDITIONS UNDER WHICH MUNICIPAL DEBT MAY BE INCURRED

5.1 Statutory Conditions

The Municipality may incur debt, provided that:

(a) The debt is denominated in Rand and is not indexed to, or affected by fluctuations in the value of the Rand to other currencies [Sect 47(a) of the Act];

(b) The debt is approved by resolution of Council, signed by the Executive Mayor, and the Accounting Officer has signed the agreement or other document which creates or acknowledges the debt [Sect 46(2) of the Act];

(c) The Accounting Officer has, at least 21 days prior to the meeting of the Council at which the resolution is to be considered, published a notice in a newspaper of general circulation:

(i) Stating particulars of the draft resolution, including the amount of the loan, the purpose of the loan to be incurred and the particulars of any security to be provided [Sect 46(3)(a)(i) of the Act]; and

(ii) Inviting the public to submit written representations to the Council in respect of the draft resolution [Sect 46(3)(a)(ii) of the Act].

(d) The Accounting Officer has, prior to the adoption of the resolution, submitted an information statement to the Council setting out the purpose for which the debt is to be incurred, the anticipated total cost of credit over the repayment period, the essential repayment terms and particulars of any security to be provided [Sect 46(3)(b) of the Act];

(e) The relevant resolution was adopted at a meeting of the Council which was open to the public; and

(f) Where security is to be provided, the provisions of section 6 below have been complied with [Sect 47)(b) of the Act].

5.2 **Administrative Conditions**

(a) To obtain Council's approval for a bank overdraft, call bond or short-term loan the Accounting Officer or his / her delegatee must submit:

(i) A cash-flow statement indicating the anticipated shortfalls and anticipated further income streams that will repay the short-term debt;

(ii) Monthly cash-flow reports indicating progress towards the repayment of the bank overdraft, call bond or short-term loan.

(b) To obtain Council's approval for a long-term loan the Accounting Officer or his / her delegatee must submit:

(i) The Bid Committee's recommendation after having obtained and evaluated quotations from at least three financial institutions stating the loan period (repayment period), comparable interest rates and administrative costs;

(ii) An operating budget reflecting the effect of the anticipated depreciation of the envisaged asset to be financed and / or capital costs on service charges; and

(iii) Statements from the financial institutions that the proposed instruments are in line with national legislation.

6. SECURITY

(a) The Municipality may, by a resolution of the Council, authorise security to be provided for any of its debt obligations;

(b) Without contravening the above point, the Municipality when incurring debt, may:

(i) Undertake to maintain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its obligations arising from that debt;

(ii) Undertake to effect payment directly from monies or sources that may become available and authorise direct access to such sources to ensure payment of those obligations;

(iii) Undertake to make provision in its budget for the payment of those obligations, including capital and interest;

(iv) Undertake to deposit funds with the lender or a third party as security for the debt;

(v) Agree to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders, including payments into special purpose funds / accounts or other payment mechanisms / procedures;

(vi) Cede as security any category of revenue or rights to future revenue specified in the financing agreement or information statement contemplated in 5.1(d) above;

(vii) Undertake to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

(viii) Agree to restrictions on debt which the Municipality may want to incur in future; and

(ix) Agree to such other arrangements as the Municipality may consider necessary and prudent.

(c) A Council resolution authorizing the giving of security as referred to in 6.(a):

(i) Must determine whether the asset or right with respect to which the security is given, is necessary for providing a minimum essential municipal service; and

(ii) If so, must indicate the manner in which the availability of the asset or right for the provision of that service will be protected.

(d) If the resolution has determined that the asset or right is necessary for providing a minimum essential service, the lender to whom the municipal

security is given, may not, in the event of a default by the Municipality, deal with the asset or right in the manner that would preclude or impede the continuation of the minimum essential municipal service.

(e) A determination in terms of 6(c) that an asset or right is not necessary for providing a minimum essential municipal service is binding on the Municipality until the secured debt has been paid in full.

7. APPROVAL

(a) Once Council approves the loan, the Accounting Officer has to enter into an agreement with the recommended financial institution on behalf of Council. The Chief Financial Officer must ensure that the terms and conditions are as originally agreed before the Council is committed;

(b) All municipal loan commitments must be recorded in a Loans Register reflecting at a minimum the:

(i) *Loan number;*
(ii) Type of loan;
(iii) Financial institution;
(iv) *Date issued;*
(v) Purpose of loan;
(vi) Loan period;
(vii) Interest rate;
(viii) Installments (capital and interest);
(ix) Due dates (quarterly / half-yearly / yearly);
(x) Security (if any);
(xi) *Final redemption date;*
(xii) *Opening balance at the beginning of the financial year;*
(xiii) *Amounts received during the financial year;*
(xiv) *Capital amounts redeemed during the financial year; and*

(xv) Closing balance at the end of the financial year.

(c) Sufficient provision must be made in the budget to depreciate assets linked to the loan;

8. INTERNAL CONTROL OVER BORROWINGS

8.1 ***Draw-down claims on loans***

Regular claims must be prepared, signed and submitted for processing to the financing institution providing the loan facility.

The following supporting documents must be attached to each draw-down claim:

(a) Signed copy of Certified Statement, signed be an authorised representative of the Municipality;

(b) Signed copy of Application for Loan Draw-down, signed by an authorised representative of the Municipality; and

(c) Expenditure summary listing the expenditure being claimed.

8.2 ***Repayments made on loans***

Loans are paid at the end of each quarter, being September, December, March and June. Payments are made in terms of the amortization schedules or notices from the financing institution for the respective loans due for repayments

The following supporting documents must be attached to each loan repayment:

(a) Signed copy of cheque requisition; and

(b) Copy of amortization schedule or notice from financing institution detailing the capital and interest amounts due and payable.

8.3 ***Reconciliations between General Ledger / Loans Register and Financing Institutions***

The following reconciliations are performed between the Loans Register, Statements / Amortization schedules of financing institutions and the General Ledger and are examined by a senior official under the direction of the Chief Financial Officer:

(a) Loans Register to General Ledger on a monthly basis;

(b) Capital redemptions per the General Ledger to the redemptions schedule on a monthly basis;

(c) Interest paid per the General Ledger to the interest schedules on a monthly basis; and

8.4 ***Documentation kept on record***

The following loan documentation and certificates, at a minimum, must be safeguarded at all times:

(a) Loan agreements;

(b) Any applicable security agreements;

(c) Copy of annual loans register;

(d) Signed copies of monthly reconciliations;

(e) Copies of all repayments made;

(f) Copies of amortization schedules;

(g) Copies of quarterly National Treasury returns.

9. REPORTING AND MONITORING PROCEDURES

Regular reporting mechanisms shall be put in place in order to assess the overall standing of the Municipality's borrowings and to ensure that the current borrowings comply with policy objectives, guidelines, applicable legislation and regulations.

As a minimum, the following reports shall be prepared:

9.1 ***For Internal Treasury management***

(a) *A monthly schedule of loans detailing each loan; and*

(b) *A monthly reconciliation of all interest / capital repaid and capital received.*

9.2 ***For the Executive Mayor and Council***

A monthly report, within 10 working days of each month, on the borrowing portfolio to the Executive Mayor and thereafter to the Finance Portfolio Committee for information, detailing:

(a) *Date issued;*

(b) *Interest rate;*

(c) *Loan number;*

(d) *Reference number;*

(e) *Redemption date;*

(f) *Institution funding source;*

(g) *Opening balance at the beginning of the financial year;*

(h) *Amounts received during the financial year;*

(i) *Capital amounts redeemed during the financial year; and*

(j) *Closing balance at the end of the financial year.*

9.3 ***For External parties***

(a) *A schedule of the Municipality's borrowings must be published as part of the annual financial statements;*

(b) *Any information to be submitted to the financing institutions and or security providers / guarantors as and when required.*

10. FINANCIAL VIABILITY

The Accounting Officer or his / her delegatee must ensure that the Municipality is financially viable and will be able to access the capital

market. A report in this regard must be submitted to Council after the completion of the financial statements at the end of every financial year.

11. RATIOS USED TO DETERMINE THE CITY'S ABILITY TO BORROW

To ensure a financially sustainable City, the following ratios are used as guidelines to determine the City's ability to borrow:

a) Total Debt to Total Assets;

b) Debt (Total Borrowings) to Total Operating Revenue;

c) Capital Cost (Interest paid and redemption) to Total Operating Expenditure;

d) Average interest paid on Debt

e) Current Ratio

f) Liquid Ratio

12. COMPLIANCE WITH FINANCIAL SERVICE PROVIDER REQUIREMENTS

12.1 **Financial Ratios**

a) Where it has been decided that funding will be sourced externally, the financial service provider may, when considering an application for external debt from the City, take certain ratios into consideration.

b) The CFO must determine the applicable ratios for long term funding and suggested performance levels.

c) The ratios should be monitored to ensure that the City is able to meet its requirements to access external debt from financial services providers of its choice

d) Where these performance levels, relating to the financial ratios, are not attained, corrective action should be taken to prevent non adherence to the loan covenant

(a) The Chief Financial Officer must complete a financial analysis of at least the following ratios and the achievement of the following targets / norms must be included in the report:

(i) Percentage of Total Debt to Assets:

A = B / C x 100; were

- A = Percentage Debt in relation to Assets,
- B = [Long-term Liabilities + Current Portion of Long-term Liabilities],
- C = Total Assets
- Target = Less than 10%

(ii) Debt (Total Borrowings) / Revenue

A = B / C x 100; were

- A = Debt (Total Borrowings) / Revenue
- B = (Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing)
- C = (Total Operating Revenue - Operational Conditional Grants)
- Target = Less than 45%

(iii) A Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

A = B / C x 100; were

- A = Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure
- B = Capital Cost(Interest Paid and Redemption)

- C = Total Operating Expenditure and Taxation Expense
- Target = Between 6% - 8%

(iv) Percentage of Interest Paid to Operating Expenditure:

A = B / C x 100; were

- A = Percentage Interest Paid in relation to Operating Expenditure,
- B = Interest Paid,
- C = Operating Expenditure
- Target = Less than 5%

(v) Percentage of Total Debt to Equity:

A = B / C x 100; were

- A = Percentage Debt in relation to Equity,
- B = [Long-term Liabilities + Current Portion of Long-term Liabilities],
- C = Funds & Reserves
- Target = Less than 10%

(vi) Gearing:

A = B / C; were

- A = Ratio of Equity in relation to Long-term Debt,
- B = Funds & Reserves,
- C = [Long-term Liabilities + Current Portion of Long-term Liabilities]
- Target = Above 10%

(vii) Current Ratio:

A = B / C; were

- A = Current Ratio
- B = Current Assets
- C = Current Liabilities
- Norm = Between 1.5 – 2.1

(viii) Liquid Ratio:

A = B / C; were

- A = Ratio of Cash Assets in relation to Current Liabilities,
- B = Cash Assets (e.g. Call Deposits, Cash, Bank),
- C = Current Liabilities
- *Norm = At least 1.5 : 1*

(ix) Percentage of Outstanding Debtors to Revenue:

A = B / C x 100; were

- A = Percentage Outstanding Debtors in relation to Revenue,
- B = [Consumer Debtor + Other Debtors – Current Portion of Long-term Receivables],
- C = Total Income for the year
- *Target = Less than 18%*

(x) Remuneration as % of Total Operating Expenditure

A = B / C x 100; were

- A = Remuneration as % of Total Operating Expenditure
- B = Remuneration (Employee Related Costs and Councillors' Remuneration)
- C = Total Operating Expenditure and Taxation Expense
- Norm = between 25% - 40%

(b) The Accounting Officer must indicate the steps to be taken in order to address deviations from the set targets and / or any other actions required to ensure access to the capital market on a continuous basis.

13. ANNUAL REVIEW OF POLICY

This policy will be reviewed regularly or when so required by changes to legislation. Any changes to this policy must be adopted by Council and be consistent with the Act and any National Treasury regulations.

14. EFFECTIVE DATE

The effective date of this policy shall be 1 July 2015.

BUFFALO CITY METROPOLITAN MUNICIPALITY

IMMOVABLE ASSET MANAGEMENT POLICY (AND ASSOCIATED INTANGIBLES)

TABLE OF CONTENTS

ABBREVIATIONS ..... E
1 PURPOSE OF THIS DOCUMENT 1
2 BACKGROUND 2
2.1 CONSTITUTIONAL AND LEGAL FRAMEWORK 2
2.2 ACCOUNTING STANDARDS 2
2.3 MANAGEMENT OF INFRASTRUCTURE ASSETS 2
3 OBJECTIVES 4
4 APPROVAL AND EFFECTIVE DATE 5
5 KEY RESPONSIBILITIES 6
6 POLICY AMENDMENT 8
7 RELATIONSHIP WITH OTHER POLICIES 9
8 REFERENCES 10
9 POLICY FORMAT 11
10 POLICY FOR IMMOVABLE ASSET ACCOUNTING 12
10.1 RECOGNITION 12
10.2 CLASSIFICATION OF IMMOVABLE ASSETS 14
10.3 IDENTIFICATION 17
10.4 ASSET REGISTER 18
10.5 MEASUREMENT AT RECOGNITION 19
10.6 MEASUREMENT AFTER RECOGNITION 23
10.7 DEPRECIATION 25
10.8 IMPAIRMENT 27
10.9 DE-RECOGNITION 31
10.10 INSURANCE 32
11. POLICY FOR SAFEGUARDING 34
12. POLICY FOR LIFE-CYCLE MANAGEMENT OF IMMOVABLE PPE ASSETS 35
13. POLICY IMPLEMENTATION 39
ANNEXURE A: EXPECTED USEFUL LIVES AND RESIDUAL VALUES 40

ABBREVIATIONS

BCMM	Buffalo City Metropolitan Municipality
CFO	Chief Financial Officer
CMIP	Comprehensive Municipal Infrastructure Plan
CM	City Manager
CoGTA	Department of Co-operative Governance and Traditional Affairs
Dir	Director
EPWP	Expanded Public Work Program
EUL	Estimated Useful Life
GIAMA	Government-wide Immoveable Asset Management Act
GRAP	Generally Recognised Accounting Practise
IAMP	Infrastructure Asset Management Plan
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
OHSA	Occupational Health and Safety Act
PPE	Property, Plant and Equipment
RUL	Remaining Useful Life
RV %	RV % Residual Value Percentage
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
VAT	Value Added Tax

1 PURPOSE OF THIS DOCUMENT

This document indicates the policy for the management of immovable assets (infrastructure, community facilities, other properties, investment property and associated land and intangible assets).

2 BACKGROUND

2.1 CONSTITUTIONAL AND LEGAL FRAMEWORK

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objects:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages its immovable Property, Plant and Equipment (PPE) is central to meeting the above challenges. Accordingly, the Municipal Systems Act (MSA) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal immovable PPE with the City Manager.

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its immovable PPE safe.

2.2 ACCOUNTING STANDARDS

The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

The Accounting Standards Board (ASB) has approved a number of Standards of GRAP. When compiling the asset register in accordance with the accounting standards, the requirements of GRAP 17 cannot be seen in isolation. Various other accounting standards impact on the recognition and measurement of assets within the municipal environment and should be taken into account during the compilation of a GRAP compliant asset register. The applicable standards of GRAP are noted in **section 8.**

As a high capacity municipality, BCMM was required to convert to applicable standards of GRAP on 1 July 08.

2.3 MANAGEMENT OF INFRASTRUCTURE ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable.

Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rand.

Key themes of the latest generation of national legislation introduced relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- the provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation – for the above objectives to be achieved, the IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing on-going changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality, including infrastructure, community services, financial planning, and corporate services.

CoGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads etc). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructure. The arrangements outlined in the CoGTA guidelines are further strengthened by the provision of National Treasury's Local Government Capital Asset Management Guidelines. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

Recognised good practice in the management of infrastructure assets from across the globe has been increasingly documented over the past 10 to 15 years. In 2000, the World Bank cited practice in Australasia as representative of best practice and this has been captured in the International Infrastructure Management Manual (IIMM), and regularly updated with case studies from across the globe, including South Africa. In 2008 the British Standards Institute issued PAS 55 (a publicly available specification on asset management). The International Standards Organisation (ISO) drew on these documents to establish an international standard for infrastructure asset management (ISO 55000 series) that was published in January 2014. Progressive entities are expected to set compliance with the proposed ISO as a benchmark for practice.

3 OBJECTIVES

The objective of this policy is for the municipality to:

- implement prevailing accounting standards; and
- apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good practice.

4 APPROVAL AND EFFECTIVE DATE

The CFO is responsible for the submission of the Policy to Council to consider its adoption after consultation with the City Manager. Council shall indicate the effective date for implementation of the policy.

5 KEY RESPONSIBILITIES

City Manager

The City Manager (CM) is responsible for the management of the immovable assets of the municipality, including the safeguarding and the maintenance of those assets.

The City Manager shall ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for the immovable assets of the municipality;
- The municipality's immovable PPE are valued in accordance with the standard of generally recognized accounting practice (GRAP17);
- That the municipality has and maintains a system of internal control for the immovable assets, including an asset register; and
- The Directors and their teams comply with this policy.

As Accounting Officer of the municipality, the City Manager shall be the principal custodian of the entire municipality's immovable assets, and shall be responsible for ensuring that this policy is effectively applied on adoption by Council. To this end, the City Manager shall be responsible for the preparation, in consultation with the Chief Financial Officer (CFO) and Directors, of procedures to effectively and efficiently apply this policy.

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the CM and other responsible officials as well as between Council and the Executive Mayor and the Council and the CM. The CM may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible to the CM to ensure that the financial investment in the municipalities' immovable assets are safeguarded and maintained.

The CFO, as one of the Directors of the municipality, shall also ensure, in exercising his financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economical and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the municipality is collected, for example rental income relating to immovable assets;
- The systems, procedures and registers required to substantiate the financial values of the municipalities' immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The City Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of immovable assets; and

- This policy and support procedures are established, maintained and effectively communicated.

In terms of section 82 read with section 81(1)(e) of the MFMA the CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. The CFO shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Director

Directors (DIR) are managers who report directly to the CM.

Directors shall insure that:

- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- Procedures are adopted and implemented in conformity with this policy to produce reliable data to be input to the municipal fixed asset register;
- Any unauthorised, irregular or fruitless or wasteful utilisation, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management system, processes and controls can provide an accurate, reliable and up to date account of immovable assets under their control;
- They are able to manage and justify that the asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives; and
- Manage the immovable PPE life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.

Directors may delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring these activities are performed.

6 POLICY AMENDMENT

Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the CFO in consultation with the CM and respective Directors. The recommendations of the CFO shall be considered for adoption by Council.

7 RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Supply Chain Management Policy;
- Tariff Policy;
- Accounting Policy;
- Property Rates Policy;
- Risk Management Policy;
- Banking and Investment Policy;
- Land Management Policy; and
- Draft Land Disposal Policy.

8 REFERENCES

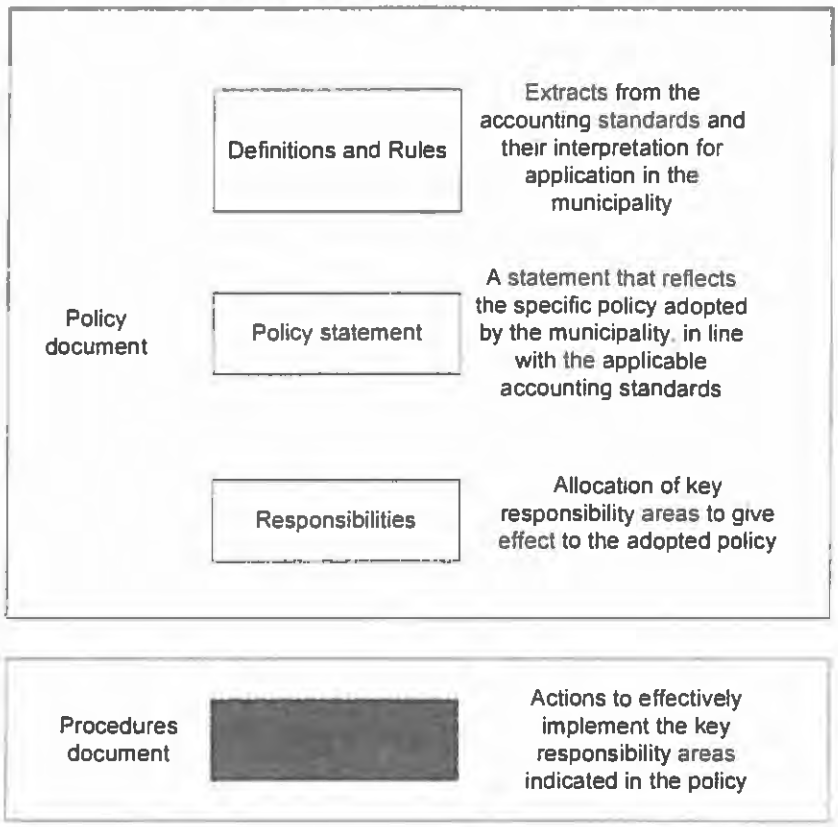
The following references were observed in compiling this document:

- Asset Management Framework, National Treasury, 2004
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice (1-14, 16, 17, 19, 21, 23-27, 31 and 100-104)
- Interpretations of the standards of GRAP issued by the Accounting Standards Board (ASB) (IGRAP 1- 17)
- Accounting guideline issued by National Treasury relating to intangible assets
- Government Gazette, 30 May 2005, No. 27636 on disposal

9 POLICY FORMAT

Figure 1 gives an overview to the format of presentation of this policy document, and how it links to a separate document that provides the procedures.

Figure 1 - Interaction between the policy and the procedures



10 POLICY FOR IMMOVABLE ASSET ACCOUNTING

10.1 RECOGNITION

(a) Definitions and rules

Asset

A resource controlled by an entity, as a result of past events; future economic benefits or service potential associated with the item will flow to the entity.

Fixed Asset

A fixed asset (also referred to as a "non-current asset") is an asset with an expected useful life greater than 12 months.

PPE

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rentals to others, or for administrative purposes; and are expected to be used during more than one reporting period. This includes items necessary for environmental or safety reasons to leverage the economic benefits or service potential from other assets. Insignificant items may be aggregated. Property, plant and equipment are broken down into groups of assets of a similar nature or function in the municipality's operations for the purposes of disclosure in the financial statements.

Immovable PPE

Immoveable assets are fixed structures such as buildings and roads are immovable PPE. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immoveable asset (though it may be temporarily removed for repair).

Investment property

Investment property is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

Intangible assets

Identifiable non-monetary assets, without physical substance are intangible assets, for examples licenses or rights (such as water licenses), servitudes and software.

Capital Spares

Spares and materials used on a regular basis in the ordinary course of operations are usually carried as inventory (ie they are not usually considered fixed assets) and are expensed when consumed. Major spares that constitute an entire or significant portion of a component type, or a specific component, defined in the immovable PPE asset hierarchy are considered capital spare parts and are recognised as an item of PPE as they are expected to be used for more than one period or they can only be used in connection with an item of PPE. The following items are examples of what can be considered to be capital spares that should be included in the immovable asset register:

- Transformers;

- Voltage transformers;
- Mini substations;
- Switch gear;
- Rising main units;
- Pumps; and
- Motors

Useful Life

The period over which an asset is expected to be available for use by an entity, or the number of production units expected to be obtained from the asset by an entity.

Major inspections

A condition of continuing to operate an item of PPE may be to perform regular major inspections for faults regardless of whether parts of the item are replaced (for example, Occupational Health and Safety Act no. 85 of 1993 requires lifting equipment to be inspected once a year). When each major inspection is performed, its cost is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Items used irregularly

Tangible items that are used in the production or supply of goods or services on an irregular basis (such as standby equipment) are recognised as items of PPE.

Control

An item is not recognised as an asset unless the entity has the capacity to control the service potential or future economic benefit of the asset, is able to deny or regulate access of others to that benefit, and has the ability to secure the future economic benefit of that asset. Legal title and physical possession are good indicators of control but are not infallible.

Past transactions or events

Assets are only recognised from the point when some event or transaction transferred control to an entity.

Probability of the flow of benefits or service potential

The degree of certainty that any economic benefits or service potential associated with an item will flow to the municipality is based on the judgement. The CFO shall exercise such judgement on behalf of the municipality, in consultation with the respective Director.

Economic benefits

Economic benefits are derived from immovable PPE that generate net cash inflows.

Service Potential

An asset has service potential if it has the capacity, singularly or in combination with other assets, to contribute directly or indirectly to the achievement of an objective of the municipality, such as the provision of services.

Reliable measurement

Items recognised are those that possess a cost or fair value that can be reliably measured in terms of this policy.

Leased assets

A lease is an agreement whereby the lessor conveys to the lessee (in this case, the municipality) the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are categorised into finance and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may not eventually be transferred (substance over form). Where the risks and rewards of ownership of the immovable PPE are substantially transferred to the municipality, the lease is regarded as a finance lease and the asset recognised by the municipality as immovable PPE. Where there is no substantial transfer of risks and rewards of ownership to the municipality, the lease is considered an operating lease and payments are expensed in the income statement on a systematic basis (straight line basis over the lease term).

Asset custodian

The department that controls an immovable asset, as well as the individual (asset custodian) or post that is responsible for the operations associated with such asset in the department, is identified by the respective Director, recorded, and communicated on recognition of the asset.

(b) Policy statement

The municipality shall recognise all immovable assets existing at the time of adoption of this policy and the development of new, upgraded and renewed immovable assets on an on-going basis. Such assets shall be capitalised in compliance with prevailing accounting standards.

(c) Responsibilities

- The CFO, in consultation with the CM and Directors, shall determine effective procedures for the recognition of existing and new immovable assets.
- Every Director shall ensure that all immovable assets under their control are correctly recognised as immovable assets.
- The CFO shall keep a lease register with the following minimum information: name of the lessor, description of the asset, fair value of the asset at inception of the lease, lease commencement date, lease termination date, economic useful life of the asset, lease payments, and any restrictions in the lease agreement.

10.2 CLASSIFICATION OF IMMOVABLE ASSETS

(a) Definitions and rules

Immovable asset accounting groups

- Property, plant and equipment (which is broken down into groups of assets of a similar nature or function in the municipality's operations);
- Intangible assets;
- Heritage assets; and
- Investment property.

Class of immovable PPE

A class of immovable PPE is defined as a group of assets of a similar nature or function.

PPE Asset hierarchy

An asset hierarchy is adopted for immovable PPE which enables separate accounting of parts (components) of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

PPE: Infrastructure

Infrastructure assets are immoveable assets which are part of a network of similar assets that jointly provide service potential.

PPE: Community Property

Community property is immoveable assets contributing to the general well-being of the community, such as community halls and recreation facilities.

PPE: Other property: Buildings

Buildings that are used for municipal operations such as administration buildings and rental stock or housing not held for capital gain.

Heritage assets

Heritage assets are assets of cultural, environmental, historical, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations, such as monuments, nature reserves, and works of art. Some heritage assets have more than one purpose, e.g. an historical building which, in addition to meeting the definition of a heritage asset, is also used as office accommodation. The CFO, on behalf of the municipality, must use his / her judgement to make such an assessment. The asset should be accounted for as a heritage asset if, and only if, the definition of a heritage asset is met, and only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. If a significant portion is used for production, administrative purposes or supply of services or goods, the asset shall be accounted for in accordance with the Standard of GRAP on PPE.

Servitudes

Where municipalities establish servitudes as part of the registration of a township, the associated rights are granted in statute and are specifically excluded from the standard on intangible assets. Such servitudes cannot be sold, transferred, rented or exchanged freely and are not separable from the municipality. Consequently such servitudes are not recognised in the asset register.

Servitudes that are created through acquisition (including by way of expropriation or agreement) are recognised as intangible assets at cost. The municipality may include the cost of the servitude in the cost of the PPE if it is essential to the construction or operation of the asset (such as in the case of pipes).

(b) Policy statement

The asset categories, sub-categories and groups illustrated in **Table 1** shall be used at the highest level of the classification structure:

Table 1 - Asset categories, sub-categories and groups

Infrastructure	Electricity Network	HV Network (≥33kV)
		MV Network (<33kV)
		LV Network (<1000V)
	Road, Rail and Storm-water Network	Roads
		Road structures
		Road furniture
		Storm-water
		Rail infrastructure
	Water Supply Network	Dams
		Pump Stations
		Reservoirs
		Boreholes
		Treatment Works
		Bulk Mains
		Distribution
		Water Servitudes
	Sanitation Network	Treatment Works
		Pump Stations
		Outfall Sewers
		Reticulation
		Sanitation Servitudes
	Capital Spares	
Community Property	Community Facilities	Halls/Centres
		Care facilities (Crèches, Old Age Homes)
		Hospitals and Clinics
		Schools
		Libraries
		Museums
		Fire stations
		Vehicle Testing Centres
		Cemeteries
		Parks
		Stalls
		Bus/taxi Terminal Buildings
		Public Open Space
	Sport & Recreation Facilities	Sports Centre / Fields
		Lakes/dams
		Nature Reserve
		Golf Courses
Heritage Assets	Heritage	Monuments
		Historical Sites and Buildings
		Other Heritage
Other Property	Solid Waste	Landfill Sites
		Drop-off Points
		Transfer Stations
		Waste Processing Facilities

	Buildings	Offices and Precincts
		Depots/workshops
		Abattoirs
		Municipal Pounds
		Other buildings
	Housing	Social Housing
		Staff Housing
Land	Land	Land
Investment Property	Investment Property	Improved
		Unimproved
Intangible assets	Servitudes	Servitudes

Asset hierarchies shall be adopted for each of the immovable PPE asset groups, separately identifying items of PPE at component level that are significant from a financial (material effect on depreciation) or strategic perspective (for risk management or asset replacement strategies / or separate significant components), and conversely, where applicable, grouping items that are relatively insignificant. Investment Property and Intangible assets are not required to be componentised.

PPE shall be disclosed in the financial statements at the sub-category level.

(c) Responsibilities

- The CFO shall ensure that the classification of immovable assets adopted by the municipality complies with the statutory requirements.
- The CFO shall consult with the Director responsible for immovable PPE to determine an effective and appropriate asset hierarchy for each asset class of immovable PPE to component level and record such in the Asset management procedures document.
- Every Director shall ensure that all immovable assets under their control are classified correctly within the classification adopted by the municipality.
- Every Director shall advise the CFO when assets should be re-classified.

10.3 IDENTIFICATION

(a) Definitions and rules

Asset coding

An asset coding system is the means by which the municipality is able to uniquely identify each immovable asset (at the lowest level in the adopted asset hierarchy) in order to ensure that it can be accounted for on an individual basis.

(b) Policy statement

A coding system shall be adopted and applied that will enable each asset of immovable assets (with PPE at the lowest level in the adopted asset hierarchy) to be uniquely and readily identified.

(c) Responsibilities

- The City Manager shall develop and implement an immovable asset coding system in consultation with the CFO and other Directors to meet the policy objective.
- Directors shall ensure that all the immovable assets under their control are correctly coded.

10.4 ASSET REGISTER

(a) Definitions and rules

Asset register

An immovable asset register is a database with information relating to each immovable asset. The immovable asset register is structured in line with the adopted classification structure. The scope of data in the register is sufficient to facilitate the application of the respective accounting standards for each of the asset classes, and the strategic and operational asset management needs of the municipality.

Completeness of data

It is recognised that it may not be practicable to complete all the required fields when compiling the initial asset register when converting to the new GRAP standards of accounts. However, processes can be established so that all the data fields can be completed on an on-going basis on adoption of this policy.

Updating data in the asset register

The fixed asset register is updated by an Asset Management Administrator only when authorised and instructed to do so by the CFO.

(b) Policy statement

An asset register shall be established to provide the data required to apply the applicable accounting standards, as well as other data considered by the municipality to be necessary to support strategic asset management planning and operational management needs. The asset register shall be updated and reconciled to the general ledger on a regular basis, which will be reconciled to the financial statements at year end.

(c) Responsibilities

- The CFO shall define the format of the fixed asset register in consultation with the CM and the Directors, and shall ensure that the format complies with the prevailing accounting standards and disclosure requirements.
- Directors shall provide the CFO with the data required to establish and update the asset register in a timely fashion.
- The CFO shall establish procedures to control the completeness and integrity of the asset register data.
- The CFO shall ensure proper application of the control procedures.

10.5 MEASUREMENT AT RECOGNITION

(a) Definitions and rules

Measurement at recognition of immovable PPE

An item of immovable PPE that qualifies for recognition is measured at cost. Where an asset is acquired at no or nominal cost (for example in the case of donated or developer-created assets), its cost is deemed to be its fair value at the date of acquisition. In cases where it is impracticable to establish the cost of an item of immovable PPE, such as on recognising immovable PPE for which there are no records, or records cannot be linked to specific assets, its cost is deemed to be its fair value.

Measurement at recognition of investment property

Investment property will be measured at cost including transaction cost at initial recognition. However, where an investment property was acquired through a non-exchange transaction (i.e. where the investment property was acquired for no or nominal value), its cost is its fair value at the date of acquisition.

Measurement at recognition of intangible assets

Intangible assets will be measured at cost at initial recognition. Where assets are acquired for no or nominal consideration, the cost is deemed to equal the fair value of the asset on the date acquired.

Fair value

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market based evidence by appraisal can be used where there is an active and liquid market for immovable assets (for example land and some types of plant and equipment). In the case of specialised buildings (such as community buildings) and infrastructure where there is no such active and liquid market, a depreciated replacement cost (DRC) approach may be used to identify the fair value. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

Depreciated replacement cost

The depreciated replacement cost (DRC) approach requires information on the expected useful life (EUL), residual value (RV), current replacement cost (CRC), and remaining useful life (RUL) of each of the asset components. The CRC is the product of a unit rate and the extent of the component and represents the cost of replacing the asset, and in cases where the existing asset is obsolete, the replacement with a modern equivalent. The depreciable portion of an asset is determined by subtracting the residual value from the CRC. The depreciated replacement cost (DRC) is established by proportionately reducing the depreciable portion based on the fraction of the remaining useful life over the expected useful life.

Accordingly, the following formula is used:

$$\mathbf{DRC = ((CRC - RV) \times RUL/EUL) + RV}$$

Costs associated with heritage assets

Costs incurred to enhance or restore a heritage asset to preserve its indefinite useful life should be capitalised as part of the cost of the asset. Such costs should be recognised in the carrying amount of the heritage asset as incurred.

2390 If the municipality holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements as follows:

- A description of the heritage asset or class of heritage assets.
- The reason why the heritage asset or class of heritage assets could not be measured reliably.
- On disposal of the heritage asset or class of heritage assets, the compensation received and the amount recognised in the statement of financial performance.

Changes in the existing decommissioning or restoration cost included in the cost of an item

Changes in the measurement of an existing decommissioning cost or restoration cost as a result of changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, should be treated as follows:

1. If the cost model is used -
   - Changes in the liability shall be added to or deducted from the cost of the related asset.
   - If the amount deducted from the cost of the asset exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
   - If the adjustment results in an addition to the cost of an asset, the municipality should consider whether this is an indication that the carrying amount may not be recoverable. In this case the municipality should test the asset for impairment.

2. If the revaluation model is used -
   - A decrease in the liability shall be credited to the revaluation surplus, except that it shall be recognised in the surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in the surplus or deficit; and
   - an increase in the liability shall be recognised in surplus or deficit, except that it shall be debited to the revaluation surplus to the extent that any credit balance may exist in the revaluation surplus in respect of asset.
   - If the decrease in liability exceeds the carrying amount that would have been recognised if the asset has been carried under the cost model, the excess shall be recognised immediately in the surplus or deficit.
   - If the change in liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation shall be taken into account in determining the amounts to be taken to surplus or deficit and net assets as discussed above. If a revaluation is necessary, all assets of that class shall be revalued.
   - The change in the revaluation surplus arising from the change in the liability shall be separately identified and disclosed on the face of the statement of changes in net assets.

Finance leases

At the commencement of a lease term, the municipality (the lessee) shall recognise a finance lease as an asset and liability in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease contract, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct cost of the lessee is added to the amount recognised as an asset.

Self-constructed immovable PPE

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality. All assets that can be classified as immovable PPE and that are constructed by the municipality should be recorded in the asset register and each component that is part of this immovable PPE should be depreciated over its estimated useful life for that category of asset.

Proper records are kept such that all costs associated with the construction of these assets are completely and accurately accounted for as capital under construction, and upon completion of the asset, all costs (both direct and indirect) associated with the construction of the asset are summed and capitalised as an asset.

Construction of future investment property

If property is developed for future use as an investment property, such property shall in every respect be accounted for as investment property.

Borrowing costs

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases and service concession arrangements and exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs. There are two treatments of borrowing costs allowed under GRAP 5:

- Benchmark treatment - recognise all borrowing costs as an expense in the period in which they are incurred; or
- Allowed alternative treatment - recognise borrowing costs as an expense in the period in which they are incurred, except to the extent that they are capitalised. Borrowing costs may be capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset.

Where an entity adopts the allowed alternative treatment, that treatment shall be applied consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the entity.

Where the allowed alternative treatment is applied, the following borrowing costs are eligible for capitalisation:

- To the extent that the municipality borrows funds specifically for the purpose of obtaining a qualifying asset, the municipality shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period, less any investment income on the temporary investment of those borrowings.
- To the extent that the municipality borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the municipality shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the municipality that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that a municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

Deferred payment

The cost of an asset is the cash equivalent at the recognition date. If the payment of the cost price is deferred beyond normal credit terms, the difference between the cash price equivalent (the total cost price is discounted to the asset's present value as at the transaction date) and the total payment is recognised as an interest expense over the period of credit unless such interest is recognised in the carrying value of the asset in accordance with the allowed alternative treatment in the Standard on Borrowing Costs, GRAP 5.

Exchanged PPE assets

In cases where assets are exchanged, the cost is deemed to be the fair value of the acquired asset and the disposed asset is de-recognised. If the acquired asset is not measured at its fair value, its cost price will be the carrying amount of the asset given up.

Cost of an item of immovable PPE

The capitalisation value comprises of

(i) the purchase price,
(ii) any directly attributable costs necessary to bring the asset to its location and condition necessary for it to be operating in the manner intended by the municipality, and
(iii) an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. VAT is excluded (unless the municipality is not allowed to claim input VAT paid on purchase of such assets - in such an instance, the municipality should capitalise the cost of the asset together with VAT).

Directly attributable costs

Directly attributable costs are defined as:

- Cost of employee benefits arising directly from the construction or acquisition of the item.
- costs of site preparation;
- initial delivery and handling costs;
- installation and assembly costs;
- commissioning (cost of testing the asset to see if the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to its current condition and location)
- professional fees (for example associated with design fees, supervision, and environmental impact assessments); and
- property transfer taxes

(b) Policy statement

Immovable PPE, intangible assets and investment property that qualify for recognition shall be capitalised **at cost.** Borrowing costs will be recognised under the allowed alternative treatment as per GRAP 5.

In cases where complete cost data is not available or cannot be reliably linked to specific assets:

- The fair value of PPE infrastructure, community property and building property shall be adopted on the basis of depreciated replacement cost;
- If the cost of heritage assets cannot be measured reliably, this shall be disclosed in the notes to the financial statements together with a description of the nature of the asset; and
- Investment property and intangible assets shall be measured at fair value on the date of acquisition. If no fair value can be allocated to the intangible asset, the asset will not be recognised as an asset.

(c) Responsibilities

- The CFO, in consultation with the CM and Directors, shall determine effective procedures for the capitalisation of immovable assets on recognition.
- Every Director shall ensure that all immovable assets under their control are correctly capitalised.

10.6 MEASUREMENT AFTER RECOGNITION

(a) Definitions and rules

Options

Accounting standards allow measurement after recognition on immovable assets as follows:

- Immovable PPE, heritage assets and intangible assets: on either a cost or revaluation model; and
- Investment Property: either cost model or the fair value model.

Different models can be applied, providing the treatment is consistent per asset class.

Cost model

When the cost model is adopted, an immovable asset is carried after recognition at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

When the revaluation model is adopted an immovable asset is carried after recognition at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. When revaluations are conducted, the entire class of assets should be re-valued. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

If the carrying amount of an asset is increased as a result of a revaluation, the increase shall be credited directly to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

When an immovable asset is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its depreciated replacement cost.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. An adjustment of the aggregate transfer is made at the end of each financial year.

If the carrying amount based on the revaluation is less than the carrying value of the immovable asset recorded in the fixed asset register, the carrying value of such asset is adjusted by increasing the accumulated depreciation

of the immovable asset in question by an amount sufficient to adjust the carrying value to the value based on the revaluation. Such additional depreciation expenses form a charge, in the first instance, against the balance in any Revaluation Reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Investment property

When the fair value model is adopted, all investment property should be measured at its fair value except when the fair value cannot be determined reliably on a continuing basis. The fair value of the investment property shall reflect market conditions at the reporting date. It shall be valued on an annual basis. All fair value adjustments shall be included in the surplus or deficit for the financial year.

Statutory inspections

The cost of a statutory inspection that is required for the municipality to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is de-recognised.

Expenses to be capitalised

Expenses incurred in the enhancement of immovable PPE (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of immovable PPE are capitalised. Such expenses are recognised once the municipality has beneficial use of the asset (be it new, upgraded, and/or renewed) – prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of immovable PPE that ensures that the useful operating life of the asset is attained, are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

Spares

The location of capital spares shall be amended once they are placed in service, and re-classified to the applicable immovable PPE asset sub-category. Depreciation on the capital spares will commence once the items are placed in service as this is when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Major inspection

Major inspections will be recognised at the value of the major inspection.

(b) Policy statement

Measurement after recognition shall be on the following basis:-

- Immoveable PPE:
    - Electricity network: revaluation model;
    - Water network: revaluation model;
    - Sanitation network: revaluation model;
    - Capital spares: cost model;
    - Roads network: revaluation model;
    - Community property: revaluation model;
    - Heritage assets: cost model;
    - Other property: revaluation model; and
    - Land: revaluation model.
- Investment property: fair value model.
- Intangible assets: cost model.

Changes in asset value as a result of revaluation shall be reflected in a Revaluation Reserve. The restatement method will be applied to proportionately restate the accumulated depreciation to be in line with the gross replacement cost or CRC of the revalued asset.

(c) Responsibilities

- The CFO, in consultation with the CM and Directors, shall determine effective procedures for the on-going capitalisation of immovable assets after recognition.
- Every Director shall ensure that all capital expenses associated with immovable PPE under their control are correctly capitalised.
- Every Director shall ensure that revaluations and fair value adjustments are conducted where applicable to immovable infrastructure under their control.

10.7 DEPRECIATION

(a) Definition and rules

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its remaining useful life. The amortisation of intangible assets is identical.

Land and servitudes are considered to have unlimited life; therefore they are not depreciated. Heritage assets and investment property are also not depreciated.

Depreciable amount

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Residual value

The residual value is the estimated amount that the municipality would currently obtain from disposal of the asset after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of assets are indicated in **Annexure A** in the form of a percentage. In the case of assets measured after recognition on the cost model, the percentage is of the initial cost of acquisition. In the case of assets measured after recognition on the revaluation model, the percentage is of the modern equivalent replacement value.

Remaining useful life

The remaining useful life (RUL) of a depreciable immovable PPE asset is the time remaining until an asset ceases to provide the required standard of performance or economic usefulness.

The remaining useful life of all depreciable immovable PPE assets at initial recognition is the same as the expected useful life indicated in **Annexure A** above. These figures have been established using available information on industry norms, experience of local influencing factors (such as climate, geotechnical conditions, and operating conditions), the life-cycle strategy of the municipality, potential technical obsolescence, and any legal limits on the use of the immovable assets.

Annual review of remaining useful life

The remaining useful lives of depreciable immovable PPE are reviewed every year at the reporting date. Changes may be required as a result of new, updated or more reliable information being available. Changes may also be required as a result of impairments. Depreciation charges in the current and future reporting periods are adjusted accordingly, and are accounted for as a change in an accounting estimate.

Depreciation method

Depreciation of immovable PPE is applied at the component level. A range of depreciation methods exist and can be selected to model the consumption of service potential or economic benefit (for example the straight line method, diminishing amount method, fixed percentage on reducing balance method, sum of the year digits method, production unit method). The approach used should reflect the consumption of future economic benefits or service potential, and should be reviewed annually where there has been a change in the pattern of consumption.

Depreciation charge

Depreciation starts once an asset is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an assets ceases at the date the asset is derecognised.

Carrying amount

The carrying amount is the cost price / fair value amount after deducting any accumulated depreciation and accumulated impairment losses.

Capital spares

Depreciation on capital spares will commence once the items are placed in service as this is when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Finance lease

Depreciable assets financed through a finance lease will give rise to a depreciation expense and finance cost which will occur for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with the policy of depreciable owned assets, and the depreciation recognised shall be calculated in accordance with the Standard on Property, Plant and Equipment, GRAP 17. If there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. If there is certainty that the municipality will obtain ownership by the end of the lease term, the asset will be fully depreciated over the asset's useful life.

(b) Policy statement

All immovable assets, except land, servitudes, road reserves, investment property and heritage assets, shall be depreciated over their remaining useful lives. The method of depreciation shall be reviewed on an annual basis, though the straight line basis shall be used in all cases unless Council determines otherwise.

(c) Responsibilities

- The CFO shall ensure that a budgetary provision is made for the depreciation of the immovable PPE in the ensuing financial year, in consultation with the Directors.
- The CFO shall indicate a fixed annual date for the review of the remaining useful life of immovable PPE under the control of the respective Directors.
- Every Director shall annually review the expected useful life and residual values stated in the **Annexure A** and the depreciation method of immovable PPE that are under their control and motivate to the CM and CFO any adjustments if, in the judgement of the Director, such are not considered appropriate.
- The CFO shall report changes made to the remaining useful life of immovable PPE in the asset register to the CM and Council.
- The CFO shall ensure that depreciation charges are debited on a monthly basis and that the fixed asset register is reconciled with the general ledger.

10.8 IMPAIRMENT

(a) Definition and rules

impairment

Impairment is defined as the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Indications of impairment

The municipality must review assets for impairment when one of the indicators below occurs or at least at the end of each reporting period. In assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum the following indicators:

i. External sources of information:

- decline or cessation in demand;
- significant long-term changes in the technological, legal or government policy environment;
- the carrying amount of the net assets of the entity is more than its market capitalisation; or
- market interest rates have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- a halt in construction could indicate an impairment. Where construction is delayed or postponed to a specific date in the future, the project may be treated as work in progress and not considered as halted.

ii. Internal sources of information:

- evidence of physical damage;
- evidence of obsolescence;

- significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or a manner in which, an asset is used or is expected to be used, including an asset becoming idle, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- cash flow for acquiring an asset or maintenance cost thereafter is higher than originally budgeted;
- the actual net cash flow or operating profit or loss flowing from an asset are significantly worse than those budgeted;
- a significant decline in budgeted net cash flow or operating profit, or a significant increase in the budget loss, flowing from the asset; or
- operating losses or net cash outflows for the asset, when current period amounts are aggregated with budgeted amounts for the future.

iii. Other indications, such as loss of market value.

Impairment of projects under construction

In assessing whether a halt in construction would trigger an impairment test, it should be considered whether construction has simply been delayed or postponed, whether the intention to resume construction in the near future or whether the construction work will not be completed in the foreseeable future. Where construction is delayed or postponed to a specific future date, the project may be treated as work in progress and is not considered as halted.

Intangible assets

The municipality must test all intangible assets associated with immovable PPE not yet available for use or which have an indefinite useful life for impairment. This impairment test may be performed at any time during the reporting period provided it is performed at the same time every year.

Investment property on the fair value model

Investment property that is measured at fair value is specifically excluded from the scope of GRAP 21 and GRAP 26 (impairment standards). Any impairment would be reflected in the annual review of fair value.

Significant

The municipality must only record impairments that are significant. The events and circumstances in each instance must be recorded. Where there are indications of impairment, the municipality must estimate the recoverable service amount of the asset and also consider adjustment of the remaining useful life, residual value, and method of depreciation.

Impairment loss

An impairment loss of a non-cash-generating unit or asset is defined as the amount by which the carrying amount of an asset exceeds its recoverable service amount. The recoverable service amount is the higher of the fair value less costs to sell and its value in use.

An impairment loss of a cash-generating unit (smallest group of assets that generate cash inflows) or asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use.

Non-cash generating unit

Non-cash-generating units are those assets (or group of assets) that are not held with the primary objective of generating a commercial return. This would typically apply to assets providing goods or services for community or social benefit. The recoverable service amount is the higher of the asset's fair value less cost to sell and its value in use. It may be possible to determine the fair value even if the asset is not traded in an active market. If there is no binding sales agreement or active market for an asset, the fair value less cost to sell is based on the best information available to reflect the amount that an entity could obtain. However, sometimes it will not be possible to determine the fair value less cost to sell because there is no basis for making reliable estimates of the amount obtainable. For non-cash generating assets which are held on an on-going basis to provide specialised services or public goods to the community, the value in use of the assets is likely to be greater than the fair value less cost to sell. In such cases the municipality may use the asset's value in use as its recoverable service amount. The value in use of a non-cash generating unit/asset is defined as the present value of the asset's remaining service potential. This can be determined using any of the following approaches:

- the Depreciated Replacement Cost (DRC) approach (and where the asset has enduring and material over-capacity, for example in cases where there has been a decline in demand, the Optimised Depreciated Replacement Cost (ODRC) approach may be used);
- the restoration cost approach (the Depreciated Replacement Cost less cost of restoration) – usually used in cases where there has been physical damage; or
- the service units approach (which could be used for example where a production units model of depreciation is used).

Where the present value of an asset's remaining service potential (determined as indicated above) exceeds the carrying value, the asset is not impaired.

Cash-generating unit

Cash-generating units are those assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that an entity intends to generate positive cash inflows from the asset (or from part of the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. When the cost model is adopted, fair value is determined in accordance with the rules indicated for measurement after recognition. Costs to sell are the costs directly attributable to the disposal of the asset (for example agents fees, legal costs), excluding finance costs and income tax expenses. The value in use is determined by estimating the future cash inflows and outflows from the continuing use of the asset and net cash flows to be received or (paid) for the disposal of the assets at the end of its useful life, including factors to reflect risk in the respective cash-flows and the time value of money.

Judgement

The extent to which the asset is held with the objective of providing a commercial return needs to be considered to determine whether the asset is a cash generating or non-cash generating asset. An asset may be held with the primary objective of generating a commercial return even though it does not meet that objective during a particular reporting period. Conversely, an asset may be a non-cash-generating asset even though it may be breaking even or generating a commercial return during a particular reporting period. In some cases it may not be clear whether the primary objective of holding an asset is to generate a commercial return. In such cases it is necessary to evaluate the significance of the cash flows. It may be difficult to determine whether the extent to which the asset generates cash flows is so significant that the asset is a non-cash-generating- or a cash-generating asset. Judgement is needed in these circumstances.

Recognition of Impairment

The impairment loss is recognised as an expense when incurred (unless the asset is carried at a re-valued amount, in which case the impairment is carried as a decrease in the Revaluation Reserve, to the extent that such reserve exists). After the recognition of an impairment loss, the depreciation charge for the asset is adjusted for future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

When no future economic benefit is likely to flow from an asset, it is derecognised and the carrying amount of the asset at the time of de-recognition, less any economic benefit from the de-recognition of the asset, is debited to the Statement of Financial Performance as a "Loss on Disposal of Asset".

In the event of compensation received for damages to an item of immovable PPE, the compensation is considered as the asset's ability to generate income and is disclosed under Sundry Revenue; and the asset is impaired/ de-recognised.

Reversing an impairment loss

The municipality must assess each year from the sources of information indicated above whether there is any indication that an impairment loss recognised in previous years may no longer exist or may have decreased. In such cases, the carrying amount is increased to its recoverable amount (providing that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods).

(b) Policy statement

Impairment of immovable assets shall be recognised as an expense in the Statement of Financial Performance when it occurs. Ad-hoc impairment shall be identified as part of normal operational management as well as scheduled annual inspections of the assets.

The municipality considers electricity, water, sanitation and solid waste services to be cash generating. All assets relating to these services are held with the primary objective of generating a commercial return. Consequently the municipality adopts the impairment treatment for cash generating units in the impairments of its immovable PPE and associated intangible assets that relate to electricity, water, sanitation and solid waste services.

The municipality considers all other services (other than electricity, water, sanitation and solid waste) to be services whose primary objective is to provide goods and services for community or social benefit, and where positive cash flows are generated, these are with the view to support the primary objective rather than for financial return to equity holders. Consequently the municipality adopts the impairment treatment for non-cash generating units in the impairments of its immovable PPE and associated intangible assets that relate to services other than electricity, water, sanitation and solid waste.

(c) Responsibilities

- The CFO shall indicate a fixed annual date for the review of any impairment that may have occurred on immovable assets under the control of the respective Directors.
- The Directors shall review any impairment on the immovable PPE under their control at the annual review date, and from time to time as a result of any events that come to their attention that may have a material negative effect on the performance of these assets. The Director shall motivate to the CFO proposed changes to the performance of such assets and the necessary impairments that needs to be recognised on such assets.
- The Director should evaluate all the immovable PPE for impairment, taking into consideration any discussions with the senior accountants and operating managers.

- The Asset register administrator should update the fixed asset register with the information received, relating to the impairment, from the financial management system where the impairment journals have been processed.
- The CFO shall report changes made to the carrying values of these assets in the asset register to the CM and Council.

10.9 DE-RECOGNITION

(a) Definition and rules

De-recognition

Immovable assets are derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. Where assets exist that have reached the end of their useful life yet they pose potential liabilities, the assets will not be derecognised until the obligations under the potential liabilities have been settled.

The carrying amount of the asset and the net disposal proceeds (or cost of de-commissioning and/or disposal of the asset) shall be included in the surpluses or (deficits) for the year when the item is derecognised.

PPE that is associated with the provision of basic services cannot be disposed without the approval of Council.

Disposal Management System

An effective system of disposal management for disposal or letting of assets, including unserviceable, redundant or obsolete assets, must be provided for in the Supply Chain Management Policy. This must specify the ways in which assets may be disposed of, including by –

- transfer the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets;
- transferring the assets to another organ of state at market related value or, when appropriate, free of charge;
- selling the asset; or
- destroying the asset.

Immovable property may be sold only at market related prices except when the public interest or the poor demands otherwise. When assets are traded in for other assets, the highest possible trade-in price must be negotiated.

Revaluation model

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. An adjustment of the aggregate transfer is made at the end of each financial year.

(b) Policy statement

Immovable assets for which no future economic benefits or service potential are expected shall be identified and methods of disposal and the associated costs or income considered by Council. The carrying amount of the asset

shall be derecognised when no future economic benefits or service potential are expected from its use or its disposal.

Where an asset being de-recognised was previously revalued, the revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset.

(c) Responsibilities

- Immovable assets shall be derecognised only on the recommendation of the Director of the department controlling the asset, and with the approval of the CM.
- Every Director shall report to the CFO on immovable assets which such Director wishes to have derecognised, stating in full the reason for such recommendation, indicating whether or not the assets are associated with the provision of basic services. The CFO shall consolidate all such reports, and shall promptly make a submission to the Disposals Committee with a copy to the CM on the immovable PPE to be derecognised, the proposed method of disposal, and the estimated cost or income from such disposal. The Disposals Committee shall consider the submission and make recommendations to the Council for adoption.
- Immovable assets that are replaced in the nominal course of the life-cycle renewal should be derecognised and removed from the asset register.
- The CM, in consultation with the CFO and other Directors shall formulate norms and standards from the replacement of all immovable assets.

10.10 INSURANCE

(a) Definition and rules

Insurance provides selected coverage for the accidental loss of asset value.

Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury. The municipality can however elect to insure certain infrastructure risks, though approval must be obtained from the Council. The CFO must conduct a risk assessment of all assets and after considering the risks involved, report to Council, which assets must be insured. The risk assessment must be based on a loss probability analysis and if there is no capacity within the municipality to conduct the analysis, the CFO should be authorised to obtain external professional assistance.

The municipality may elect to operate a self-insurance reserve, in which case the CFO shall annually determine the premiums payable by the departments or votes after having received a list of immovable assets and insurable values of all relevant immovable assets from the Directors concerned. This will be reflected in the accumulated surplus and will be cash backed.

Assets must be insured internally or externally and coverage must be based on the loss probability analysis. All insurance claims must be assessed by an official, charged with the responsibility for the insurance of assets, to determine whether the damage to the assets can be recovered from possible third parties involved.

If the damage was caused by an identifiable third party the CFO should compile a report advising the City Manager of the facts thereof and any possible further action.

(b) Policy statement

The municipality must adhere to the disaster management plan for prevention and mitigation of disaster in order to be able to attract the disaster management contribution during or after disaster. The Council shall decide on

insurance cover for immovable assets each financial year based on the recommendation from the City Manager after consultation with the CFO.

(c) Responsibilities

- The City Manager will consult with the CFO on the basis of insurance to be applied to each type of immovable asset: either the carrying value or the replacement value of the immovable asset concerned. The approach shall take due cognisance of the budgetary resources of the municipality, and where applicable asset classes shall be prioritised in terms of their risk exposure and value.
- The City Manager shall advise Council on the insurance approach taken.
- In the event that the CFO is directed by Council to establish a self-insurance reserve, the CFO shall annually submit a report to the Council on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

11. POLICY FOR SAFEGUARDING

(a) Definitions and rules

The municipality applies controls and safeguards to ensure that immovable assets are protected against improper use, loss, theft, malicious damage or accidental damage.

The existence of immovable assets is physically verified from time-to-time, and measures adopted to control their use. Budgetary constraints may however constrain the measures adopted.

The municipality may allocate day-to-day duties relating to such control, verification and safekeeping to asset custodians, and record such in the asset register.

(b) Policy statement

An asset safeguarding plan shall be prepared for all immovable assets indicating measures that are considered effective to ensure that all immovable assets under control of the municipality are appropriately safeguarded from inappropriate use or loss, including the identification of asset custodians for all assets. The impact of budgetary constraints on such measures shall be reported to Council. The existence, condition and location of these assets shall be verified annually (in line with the assessment of impairment).

(c) Responsibilities

- Each Director shall prepare and submit to the CFO, upon request, an annual asset safeguarding plan for the immovable assets under the control of their respective departments, indicating the budget required.
- The CFO shall confirm the available budget, and in consultation with the respective Director, determine the impact of any budget shortfall. The CFO shall report the impacts to the CM for review, and advise Council.
- Each Director shall implement the safeguarding plan within the resources made available.
- Each Director shall report, within the time frame indicated by the CFO, the existence, condition, location and appropriate use of immovable assets under the control of their respective departments at the review date.
- Malicious damage, theft, and break-ins must be reported to the CM or delegated person within 48 hours of its occurrence or awareness by the respective Director.
- The CM must report criminal activities to the South African Police Service.

12. POLICY FOR LIFE-CYCLE MANAGEMENT OF IMMOVABLE PPE ASSETS

(a) Definitions and rules

Service delivery

Immovable PPE assets (such as infrastructure and community facilities) are the means by which the municipality delivers a range of essential municipal services. Consequently the management of such assets is critical to meeting the strategic objectives of the municipality and in measuring its performance.

Asset management

The goal of asset management of immovable PPE is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers. The core principles are:

- taking a life-cycle approach;
- developing cost-effective management strategies for the long-term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the impact of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in the immovable PPE asset management practices.

(b) Policy statement

The municipality shall provide municipal services for which the municipality is responsible, at an appropriate level, and in a transparent, accountable and sustainable manner, in pursuit of legislative requirements and in support of its strategic objectives, according to the following core principles:

Effective governance

The municipality shall strive to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected.

To this end, the municipality shall:

- continue to adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- regularly review updates and amendments to the above legislation;
- review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- effectively apply legislation for the benefit of the community.

Sustainable service delivery

The municipality shall strive to provide to its customers services that are technically, environmentally and financially sustainable.

To this end, the municipality shall:

- identify a suite of levels and standards of service that conform with statutory requirements and rules for their application based on long-term affordability to the municipality;
- identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- identify current and future demand for services, and demand management strategies;

- set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose infrastructure assets, where applicable in line with national targets;
- apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- prepare and adopt a maintenance strategy and plan to support the achievement of the required performance;
- allocate budgets based on long-term financial forecasts that take cognisance of the full life-cycle needs of existing and future infrastructure assets and the risks to achieving the adopted performance targets;
- strive for alignment of the financial statements with the actual service delivery potential of the infrastructure assets; and
- implement its tariff and credit control and debt collection policies to sustain and protect the affordability of services by the community.

Social and economic development

The municipality shall strive to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community.

To this end, the municipality shall:

- regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- implement changes to services in response to changing customer needs and expectations where appropriate;
- foster the appropriate use of services through the provision of clear and appropriate information;
- ensure services are managed to deliver the agreed levels and standards; and
- create job opportunities and promote skills development in support of the national EPWP.

Custodianship

The municipality shall strive to be a responsible custodian and guardian of the community's assets for current and future generations.

To this end, the municipality shall:

- establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;
- establish appropriate development control measures including community information;
- cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- ensure that heritage resources are identified and protected; and
- ensure that a long-term view is taken into account in infrastructure asset management decisions.

Transparency

The municipality shall strive to manage its infrastructure assets in a manner that is transparent to all its customers, both now and in the future.

To this end, the municipality shall:

- develop and maintain a culture of regular consultation with the community with regard to its management of infrastructure in support of service delivery;
- clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- avail immovable PPE asset management information on a ward basis; and
- continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

Cost-effectiveness and efficiency

The municipality shall strive to manage its infrastructure assets in an efficient and effective manner.

To this end, the municipality shall:

- assess life-cycle options for proposed new infrastructure in line with the Supply Chain Management Policy;
- regularly review the actual extent, nature, utilisation, criticality, performance and condition of infrastructure assets to optimise planning and implementation works;
- assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of infrastructure assets;
- continue to secure and optimally utilise governmental grants in support of the provision of free basic services;
- implement new and upgrading construction projects to maximise the utilisation of budgeted funds;
- ensure the proper utilisation and maintenance of existing assets subject to availability of resources;
- establish and implement demand management plans;
- timeously renew infrastructure assets based on capacity, performance, risk exposure, and cost;
- timeously dispose of infrastructure assets that are no longer in use;
- review management and delivery capacity, and procure external support as necessary;
- establish documented processes, systems and data to support effective life-cycle infrastructure asset management;
- strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- conduct regular and independent assessments to support continuous improvement of infrastructure asset management practice.

(c) Responsibilities

- Upon adoption of this policy by Council, the City Manager shall meet regularly with the CFO and Directors and to take measures to effectively implement this policy, and to report to Council on progress made at a frequency indicated by Council.
- Directors shall develop, and update at regular intervals to be determined by the CM in consultation with the CFO and Directors, an Asset Management Plan (AMP) for each service involving immovable PPE that shall assess levels and standards of service, future demand, risk, determine a lifecycle plan for a minimum 10 year planning horizon, and identify management practice improvement needs (3 year horizon). The AMPs will be submitted through the City Manager to Council for adoption. AMPs shall be used to inform the preparation of a Comprehensive Municipal Infrastructure Plan and budgets through the IDP process. The time frame for the first time implementation of this will be determined by the CM in consultation with the CFO and Directors.

- The CFO shall, in consultation with Directors, determine grading scales for the measurement of asset condition, performance, cost-of-operation, and utilisation for that are common and applicable to all services. Where necessary, the Directors shall interpret the grading scales for the immovable PPE assets under their control. Directors shall determine the grading of all immovable PPE assets under their control at a level of accuracy considered appropriate to the municipality's resources, at intervals to be determined by the CM in consultation with the CFO and Directors.
- Directors shall prepare, and review at regular intervals to be determined by the CM in consultation with the CFO and Directors, an Operations and Maintenance Strategy and Plan, and submit such, through the City Manager, to Council for adoption. The municipality shall engage contractors when necessary to support in the implementation of maintenance actions and adopt a system that assists in managing such maintenance. The time frame for the first time implementation of this will be determined by the CM in consultation with the CFO and Directors.
- Directors shall determine detailed service performance measures (differentiated, where applicable for identified customer groups), and submit such, through the City Manager, to Council for adoption and inclusion in the Services Delivery and Budget Implementation Plan. Directors shall establish a monitoring regime, and report actual performance each financial year. The time frame for the first time implementation of this will be determined by the CM in consultation with the CFO and Directors.
- The City Manager shall establish procedures to ensure that legislative requirements regarding the management of immovable PPE assets, including but not limited to health and safety, and environmental protection, are documented and advised to Directors. Directors shall address legislative needs in their strategies and plans, and shall enforce implementation.

13. POLICY IMPLEMENTATION

Procedures shall be prepared and adopted by the City Manager, in consultation with the CFO and Directors, to give effect to this policy.

ANNEXURE A: EXPECTED USEFUL LIVES AND RESIDUAL VALUES

ELECTRICITY

HV Conductors 132/66/33 kV	HV Cable / Control Cables / HV Overhead Line Support structure / HV Overhead Line Insulators / HV Overhead Line Conductor	50	0
HV Substation 132/66/33 kV	Auxiliary Equipment- HV substation control infrastructure (AC, DC, cabling etc)	60	0
	HV Busbar Indoor / HV Busbar Outdoor / Lightning Arrestor / Station Earthing – Matt, Electrodes and Yard Stone/	50	0
	HV Switchgear – Circuit Breakers / HV Switchgear – Compact Circuit Breaker, Isolator and Current Transformer Unit (High Pack) / HV Switchgear – Isolators / HV Switchgear – Earth Switch / Circuit Breaker Panel / Control panel / Reactor	50	0
	HV Power Transformer / Transformer NEC / Transformer NER / Transformer NEC/NER/AUX Combination / Transformer AUX	45	0
	Voltage Transformer (VT) / Current Transformer (CT) / Surge Arrestor / Power Factor Equipment	45	0
	Auxiliary Equipment- QoS equipment	20	0
	Battery Charger	10	0
	Batteries	3	0
MV Conductors	MV Cable / Control Cables / MV Overhead Line	50	0
MV Switch Houses / MV Sub Station / MV Switch Chamber/ MV Switchgear / MV Mini-Substation / MV Transformer	Control panel / Control Cable	50	0
	MV Power Transformer / MV Indoor Transformer / MV Pole Transformer / MV Floor Transformer / Mini-Sub with ring main unit / Mini-Sub without ring main unit	45	0
	MV Switchgear – Circuit Breakers / MV Switchgear – Compact Circuit Breaker, Isolator and Current Transformer Unit (High Pack) / Surge Arrestor/ Circuit Breaker Panel / Power Factor Equipment	45	0
	MV Switchgear – Isolators / MV Switchgear – Earth Switch / Ring Main Unit / MV Switchgear – Fused Line Link / MV Switchgear - Solid Line Link / MV Switchgear - Isolator Link / MV Auto Recloser / CT/VT Unit	30	0
	Load Control Set / Electricity Meter – Credit Meter	20	0
	Battery Charger	10	0
	Batteries	3	0
LV Conductors	LV Cable - LV Underground Service Connection (Single and Three Phase)/ LV Cable - Underground cable – Commercial and Domestic	60	0
	LV Cable - LV Cu & Al cable	50	0
	LV Overhead Lines (all types)	45	0
Public Lighting	Street Lights / High Mast Lights	45	0
Municipality Service Connection	LV Cable - LV Underground Service Connection (Single and Three Phase)/ LV Cable - Underground cable – Commercial and Domestic	60	0
	LV Cable - LV Cu & Al cable	50	0
	LV Overhead Lines (all types) / LV Pole top box / LV Kiosk	45	0
	LV Switchgear – Circuit Breakers	30	0
	Conventional Electricity Meter (Credit Meters) / Load Shed Relay / Vending Station	20	0
	Electronic Electricity Meter (Pre-paid Meters)	10	0

WATER AND SANITATION

Civil structure	Dam Wall - Concrete	200	0
	Dam Wall - Earthfill	80	0
	Dam Wall - Rockfill	100	0
	Earth Structure	50	50
	Filter media	20	0

	Masonry Structure - General	30	0
	RC Structure - Mass concrete	50	0
	RC Structure - Shuttered RC eng structure	80	0
	RC Structure - Shuttered RC eng structure - water retaining	50	0
	Tank - Galvanised steel panel	30	0
	Tank - Plastic	15	0
	Tank - Concrete	50	0
	Septic Tank	40	0
	VIP Latrine	5	0
	Well - Well & lining	30	0
	Chemical Toilet	10	0
Mechanical plant	Compressor	15	0
	Doser	15	50
	Gearbox	15	0
	Generator	20	0
	Motor - sewer	15	0
	Motor - water	15	0
	Pump - hand	15	0
	Pump - sewer	15	0
	Pump - submersible	12	0
	Pump - water	15	0
Electrical Plant	Telemetry	15	0
	Control Panel	50	0
Metal work	Fabricated steel - Galvanised steel	20	0
	Fabricated steel - Mild steel	10	0
	Fabricated steel - Stainless steel	20	0
Pipe work	Communal standpipe - Pedestal	10	0
	Hydrant	20	0
	Pipe - sewer - AC	30	0
	Pipe - sewer - Brickwork	100	0
	Pipe - sewer - Clay	100	0
	Pipe - sewer - Concrete	40	0
	Pipe - sewer - GRP	60	0
	Pipe - sewer - HDPE	60	0
	Pipe - sewer - Steel	40	0
	Pipe - sewer - uPVC	60	0
	Pipe - water - AC	30	0
	Pipe - water - GRP	80	0
	Pipe - water - HDPE	80	0
	Pipe - water - mPVC	80	0
	Pipe - water - Steel	80	0
	Pipe - water - uPVC	80	0
	Valve - Air release	15	0
	Valve - Butterfly	20	0
	Valve - Gate (stand alone)	20	0

	Valve - Non-return	15	0
	Valve - Pressure Reducing	15	0
	Valve - Resilient seal	20	0
	Water Meter	10	0

ROADS AND STORM-WATER

Pavements	Bituminous surface (medium)	10	0
	Gravel surface	5	0
	Concrete/ block surface	20	0
	Earthworks – cut and fill	100	50
	Structural layers - paved arterial/ distributors	30	30
	Structural layers - paved collectors	50	30
	Structural layers - paved access roads	80	30
Road drainage	Kerbs	50	0
	Kerb inlets	15	0
	Lined open drain	50	0
	Unlined open drain	5	0
	Stone pitched drain	15	0
Street Furniture (architecture)	Commuter shelter	15	0
Street Furniture (roads)	Guard Rail	15	0
	Mini roundabout	20	0
	Speed hump	20	0
	Traffic island	20	0
	Footpaths (asphalt)	20	0
	Footpath (concrete)	40	0
	Street Signs	12	0
Street Furniture (traffic)	Guidance Signs	12	0
	Road marking	5	0
	Regulatory and warning Signs	7	0
	Traffic signal	15	0
Bridges	Super-structure	100	0
	Sub-structure	100	0
Retaining walls	Anchored wall	50	0
	Retaining wal	60	0
	Tunnel excavation	300	0
	Tunnel lining	75	0
Storm-water Conveyance	Canal lining	50	0
	Gabion walls	50	0
	Culvert	60	0

BUILDINGS

Building Elements	Air conditioning (per floor)	10	0
	Electrical installation (per floor)	30	0

	Finishes (per floor)	10	0
	Fire protection (per floor)	20	0
	Fixtures & fittings (per floor)	10	0
	Plumbing (per floor)	20	0
	Security system (per floor)	10	0
	Building Structure – Walls (per floor)	60	0
	Building Structure - Roofs	40	0
	Parking Basements	60	0
	Gas installation	20	0
	Concrete floors	50	0
	Lifts	10	0
Service Connections (on site)	Sewer connection	50	0
	Water connection	50	0
	Electricity	50	0
	VIP Latrine	5	0
	Septic tank	40	0

OPEN SPACES

External improvements	Perimeter wall	30	0
	Fence - wire	15	0
	Electric fence	30	0
	Steel palisade fence	15	0
	Carports	7	0
	Landscaping	30	0
	Lawns	30	0
	Irrigation	10	0
	Flood lights	30	0
	Light bollards	30	0
	External furniture	20	0
Sports facilities	Tennis court	15	0
	Bowling green	20	0
	Sports field	20	0
	Swimming pool	20	0
	Golf course	50	0
	Stadium	50	0

LAND

Land	Road Reserve	NA	NA
	Stormwater Reserve	NA	NA
	Rail Reserve	NA	NA

	Land	NA	NA

INVESTMENT PROPERTY

Investment Property	Improved Property	NA	NA
	Unimproved Property	NA	NA

INTANGIBLE ASSETS

Intangible Assets	Servitudes	NA	NA

HERITAGE ASSETS

Land	Land	NA	NA
Monument	Monument	NA	NA
Statue	Statue	NA	NA
Sculpture	Sculpture	NA	NA
Memorial	Memorial	NA	NA
Plaque	Plaque	NA	NA
Cenotaph	Cenotaph	NA	NA
Grave	Grave	NA	NA

BUFFALO CITY
METROPOLITAN MUNICIPALITY

Buffalo City Metropolitan Municipality

Credit Control Policy

Approved by BCMC on 28 May 2014
Council Resolution Number: BCMC 147/14

Buffalo City Metropolitan Municipality
Credit Control Policy

1. POLICY TITLE

CREDIT CONTROL POLICY

2. PREAMBLE

WHEREAS section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*'the Constitution'*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

AND WHEREAS section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*'the Systems Act'*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;

AND WHEREAS section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

Buffalo City Metropolitan Municipality
Credit Control Policy

Adoption of a Credit Control Policy

The Buffalo City Metropolitan Municipality hereby adopted a Credit Control and Debt Collection Policy in terms of section 96(b) of the Local Government: Municipal Systems Act, No. 32 of 2000.

3. DEFINITIONS

In this policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise-

"Arrangement"	means a written agreement entered into between the Municipality and the debtor where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.
"Arrears"	means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.
"Account"	means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and which account may or may not include assessment rates levies;
"Authorized Representative"	means a person or instance legally appointed by the Municipality to act or to fulfil a duty on its behalf.
"Billing date"	means the date upon which the monthly statement is generated and debited to the customer's account.
"Business premises"	means premises utilized for purposes other than residential and excludes the following: - (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain; (b) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and are open to the public, whether admission fees are charged or not;

	(c) sports grounds used for the purpose of amateur sports and any social activities which are connected with such sports; (d) any property registered in the name of an institution or organization which, in the opinion of the Municipality, performs charitable work; (e) any property utilized for bona fide church or religious purposes.
"Chief Financial Officer"	means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.
"Credit Control"	means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services.
"Council"	means the Municipal Council of Buffalo City Metropolitan Municipality or any duly authorized Committee, political office bearer or official of the said Council.
"Customer"	means any occupier of any premises to which the Municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the Municipality.
"day/days"	means calendar days, inclusive of Saturdays, Sundays and public holidays.
"Debt Collection Agent"	means a debt collector or attorney appointed by the municipality to collect rates and service charges.
"Debt Collection"	means the activity to collect monies owed by a debtor.
"Debt Impairment Allowance"	means the irrecoverable amount calculated on the billing debtor balance as at 30 June of a financial year by which the debtor balance must be reduced in the Annual Financial Statements.
"Defaulter"	means any person owing the Municipality arrear monies in respect of taxes and/or service charges. in relation to – (a) rates due in respect of any immovable property, means the thirtieth (30) day of September of the financial year for which such rate is made, or any other date determined by the Council by notice in the Provincial Gazette, and

Buffalo City Metropolitan Municipality
Credit Control Policy

	(b) in respect of service charges due in respect of any immovable property, means the date for payment indicated on the account. (c) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.
"Immovable property"	includes – (a) an undivided share in immovable property, and (b) any right in immovable property.
"Implementing Authority"	means the City Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act No. 32 of 2000.
"Indigent debtor"	means: (a) the head of an indigent household: (i) who applied for and has been declared indigent in terms of the Municipality's Indigent Support Policy for the provision of services from the municipality; and (ii) who makes application for indigent support in terms of the Municipality's Indigent Support Policy on behalf of all members of his or her household; (b) orphaned minor children duly represented by their legal and/or defacto guardians.
"Indigent Support Programme"	means a structured programme for the provision of indigent support subsidies to qualifying indigent debtors in terms of the the Municipality's Indigent Support Policy.
"Indigent Support Policy"	means the Indigent Support Policy adopted by the Council of the Municipality.
"Interest"	means a charge levied on all arrear monies with the same legal priority as service fees and calculated at a rate determined by the Municipality, from time to time;
"Month"	means a calendar month.
"Monthly average consumption"	means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months.
"Municipal pay point"	means any municipal office in the area of jurisdiction of the municipality designated by the Municipality for such purposes,

	or any such other places as the Chief Financial Officer may from time to time designate.
"Municipal services"	means services provided either by the municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement.
"Municipality"	means the Buffalo City Metropolitan Municipality.
"City Manager"	means the City Manager of the Buffalo City Metropolitan Municipality or his or her nominee acting in terms of power delegated to him or her by the said City Manager with the concurrence of the Council.
"Occupier"	means the person who controls and resides on or controls and otherwise uses immovable property, provided that - (a) the husband or wife or life companion of the owner of immovable property which is at any time used by such owner and husband or wife or life companion as a dwelling, shall be deemed to be the occupier thereof; (b) where a husband and wife or life companion both reside on immovable property and one of them is an occupier thereof; the other shall also be deemed to be an occupier thereof.
"Owner"	in relation to immovable property means - (a) the person in whom is vested the legal title thereto provided that - (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof; (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof; (b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof; *(c)* if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or

Buffalo City Metropolitan Municipality
Credit Control Policy

	(i) if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.
"Premises"	includes any piece of land, the external surface boundaries of which are delineated on: (a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or (b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.
"Prescribed"	means prescribed by this policy and where applicable by the Council or the City Manager.
"Prescribed debt"	means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969.
"Person"	means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.
"Rates"	means any tax, duty or levy imposed on property by the municipality.
"Reconnection fee"	means the penalty fee imposed on a defaulting debtor appearing on the debt collection action list, and is due and payable irrespective if the services have been suspended or not.
"Registered owner"	means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no. 47 of 1937.
"Responsible person"	means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.
"Service Agreement"	means the application form that is completed by the owner of the property for the provision of Municipal services
"Service charges"	means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy.
"Service delivery agreement"	means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

Buffalo City Metropolitan Municipality Credit Control Policy

"Sundry debtor accounts"	means accounts raised for miscellaneous charges for services provided by the Municipality or charges that was raised against a person as a result of an action by a person and which was raised in terms of Council's policies, by-laws and decisions
"Supervisory Authority"	means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000.
"Tariff"	means any rate, tax, duty and levy or fee which may be imposed by the municipality for services provided either by itself or in terms of a service delivery agreement.
"Tariff Policy"	means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.
"User"	means the owner or occupier of a property in respect of which municipal services are being rendered.

4. POLICY STATEMENT

It is the policy of Buffalo City Metropolitan Municipality to effectively collect all revenue due to it.

5. MAIN PURPOSE

The main purpose of the Credit Control Policy is to effectively collect all revenue due to the Municipality

6. SCOPE OF THE POLICY

The Credit Control Policy applies to all billed customers within the Buffalo City Metropolitan Municipal boundaries.

Buffalo City Metropolitan Municipality
Credit Control Policy

7. LEGAL FRAMEWORK

The statutory framework on which the Credit Control Policy is founded is as follows:

Constitution of the Republic of South Africa Act 108 of 1996 (*'the Constitution'*)

Section 152 (1) (b)
Section 153 (a)
Section 195 (1)

Local Government: Municipal Systems Act 33 of 2000 (*'the Systems Act'*)

Section 4 (1) (c)
Section 5 (1) (g), read with subsection (2) (b),
Section 6 (2) (c), (e) and (f)
Chapter 9, sections 95, 96, 97, 98, 99 and 100,

8. STRATEGIC OBJECTIVES

To collect all Revenue due to the Municipality

9. GUIDING PRINCIPLES

The guiding principles supported in this policy are: -

(1) The administrative integrity of the municipality must be maintained at all times.

(2) The policy must have the full support of Council and the community.

(3) Councillors must have full knowledge of the implementation and enforcement of the policy.

(4) The Executive Mayor oversees and monitors the implementation and enforcement of this policy.

(5) The City Manager implements and enforces this policy.

(6) The City Manager may delegate the implementation and enforcement of this policy to the Chief Financial Officer.

(7) Customers must apply for services from the Municipality by the completion of the prescribed application form.

(8) Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due.

(9) Customers must pay their accounts regularly by the due date.

(10) Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.

(11) Customers are entitled to an efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.

(12) Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt is collected.

10. GOVERNANCE ISSUES

(1) The Executive Mayor oversees and monitors –

(a) The implementation and enforcement of the municipality's credit control policy.

(b) The performance of the City Manager in implementing the credit control policy.

(2) The Executive Mayor shall at least once a year, cause an evaluation or review of the credit control policy to be performed in order to improve the efficiency of the Municipality's credit control and debt collection mechanisms, processes and procedures and to the implementation of this policy

(3) The City Manager shall submit a report to the Council regarding the implementation of the credit control policy at such intervals as the Council may determine.

(4) The City Manager: -

(a) Implements and enforces the credit control policy.

(b) Is accountable to the Executive Mayor for the enforcement of the policy and shall submit a report to the Executive Mayor regarding the implementation and enforcement of the Credit Control Policy at such intervals as may be determined by Council.

(c) Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the Municipality.

(d) Where necessary, propose to the Executive Mayor with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures.

(e) Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that my affect account holders.

(f) Establish customer service centres, which are located in such communities as determined by the Municipality.

(g) Convey to account holders information relating to the costs involved in service provision, the reasons for payment of services are utilized, and may where necessary; employ the services of local media to convey such information.

(5) The City Manager may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of the Council's Credit Control by-law to the Chief Financial Officer.

(6) A delegation in terms of subsection (5) –

(a) Is subject to any limitations or conditions that the City Manager may impose;

(b) May authorize the Chief Financial Officer to, in writing, sub-delegate power to another official of the municipality;

(c) Does not divest the City Manager of the responsibility concerning the exercise of the delegated power.

(7) The Chief Financial Officer shall be responsible to the City Manager for the implementation, enforcement and administration of this policy, and the general exercise of his powers in terms of this policy.

11. POLICY

1. APPLICATION FOR THE PROVISIONS OF MUNICIPAL SERVICES

(1) A Customer who requires the provision of municipal services must apply for the service from the Municipality, in writing.

(2) No registrations or additions to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer has been produced in each instance.

(3) The application for the provision of municipal services must be made by the registered owner of an immovable property. If there is an outstanding debt on the property, this debt must be settled in full before the new customer is registered.

(4) The Municipality will not entertain an application for the provision of municipal services from a tenant of a property, or any other person who is not the owner of the property.

(5) The only exception to point (4) above is that individuals and businesses with lease agreements who lease properties from the Municipality will be allowed to open an account in the name of the lessee of the property. Registered indigent tenants will be allowed in terms of the Deceased Estate and Absconded Owner Schemes to open accounts in their name in order to benefit from the rebates offered by the Municipality. A tenant account may be opened in the name of the Government department/s who lease properties to their tenants.

(6) An agent may, with a proxy open an account in the name of the owner provided all the statutory information of the owner is supplied.

(7) The application for the provision of municipal services must be made in writing on the prescribed application form that is provided by the Municipality.

(8) By completing the prescribed application form for the provision of municipal services the Customer of services enters into an agreement with the Municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act

(NCA) but shall be an incidental credit agreement as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

(9) The agreement with the Municipality makes provision for the following:

(a) An undertaking by the owner that he or she will be liable for collection costs including administration fees, interests, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date;

(b) An acknowledgement by the owner that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account; and

(c) That the onus will be on the owner to ensure that he or she is in possession of an account before the due date.

(d) An undertaking by the Municipality that it shall do everything in its power to deliver accounts timeously.

(e) An undertaking by the Directors of Companies or members of Closed Corporations and Trustees of Trusts that they will be held individually responsible for the payment of the account, should the company or closed corporation or Trust default on payment of the account, in terms of the terms and conditions as stipulated in the application for services agreement

(10) The application for the provision of municipal services shall be made at least ten (10) days prior to the date on which the services are required to be connected.

(11) On receipt of the application for provision of municipal services, the Municipality will cause the reading of metered services linked to the

property to be taken on the working day preceding the date of occupation.

(12) The first account for services will be rendered, after the first meter reading cycle to be billed following the date of signing the service agreement.

(13) Customers who fail to register and who illegally consume services will be subjected to such administrative, civil or criminal action as the Municipality deems appropriate

(14) Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the owner to advise the Municipality of such change.

2. DEPOSITS AND GUARANTEES

(1) On application for the provision of municipal services the prescribed Customer deposit shall be paid.

(2) A guarantee in lieu of a deposit will be accepted on application for the provision of municipal services by a business in terms of the prevailing conditions determined by the Municipality at the time of the application.

(3) Existing Customers moving to a new address are required to pay the prescribed Customer deposit on application for the provision of municipal services at the new address.

(4) The minimum deposit payable is determined annually by the Council and is contained in the tariff book produced annually.

(5) The Customer deposit paid on application for the provision of municipal services may be increased or decreased, upon written notice to Customers, if found that the deposit is not equal to the estimated

charges for the supply of electricity and water for a period of three (3) months.

(6) The Municipality may increase the amount of the deposit required from the owner of a property where the electricity supply had been disconnected at least twice during the preceding period of twelve months, after the owner of the property was given notice of the Municipality's intention to increase the deposit.

(7) On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.

(8) The Municipality may appropriate a customers' deposit on any account related to that customer

3. ACCOUNTS, BILLING AND RESPONSIBILITY FOR PAYMENT

(1) The Municipality provides all Customers of municipal services monthly with a consolidated account for all services rendered.

(2) The consolidated account will include property rates charges where applicable.

(3) Accounts are produced on a monthly basis in cycles of approximately 30 days.

(4) All accounts rendered by the Municipality shall be payable on the due date as indicated on the account.

(5) Amounts on accounts, which remain unpaid after the due date, shall attract interest on arrears irrespective of the reason for non-payment.

(6) All accounts are payable by the due date regardless of the fact that the person responsible for the payment of the account has not received the account. The onus is on the account holder to obtain a copy of the account before the due date.

(7) Customers are required to update their information details with the Municipality as and when their details change. The Municipality will, in a cycle of two (2) years send out a pre-populated document related to the updating and verification of customer information which must be completed by the account holder or proxy and be submitted to the municipality within the prescribed period as determined by the Municipality. Failure to respond to the Municipality's request for updated information may result in withholding of services, disconnection of services or any other appropriate action.

(8) When electricity and water consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised, the relevant charges for electricity and water services shall be raised against the registered owner on his consolidated bill.

(9) The Municipality bills an owner of a property for the following rates and service charges: -

(a) <u>Property Rates, Refuse and Sewerage charges</u>

(i) Property rates, refuse and sewerage charges are billed monthly. The owner of the immovable property must make a written application to the Municipality in order to be billed on an annual basis.

(ii) The Municipality's preference is that property rates, refuse and sewerage charges be charged monthly. Due to

historical legislation these charges are being charged monthly and annually.

(iii) Property rates, refuse and sewerage charges charged annually are billed on the July account of each year and the due date for the payment of these charges is 30 September of each year.

(iv) Property rates refuse, and sewerage charges charged monthly are billed on the monthly accounts and the due date for the payment of the charges will be as indicated on the accounts.

(v) The tariffs to calculate the Property rates, refuse and sewerage charges are determined annually and approved by the Council and are contained in the tariff book produced by the Municipality

(b) Electricity and Water Charges

(i) Consumption of electricity and water is billed in terms of metered consumption.

(ii) Monthly accounts are rendered for electricity and water consumption and the due date for the payment of the accounts will be the date as indicated on the account.

(iii) The tariffs to calculate the electricity and water charges are determined annually and approved by Council and are contained in the tariff book produced by the Municipality.

(iv) Consumption that is not metered will be charged at a tariff as determined by the Municipality.

(c) Fire levy

(i) Property owners within Buffalo City Metropolitan Municipality area are charged a fire levy instead of being charged when the Fire Department responds to fire calls in respect of dwellings and businesses and vacant land.

(ii) The fire levy is charged monthly on the account produced by the Municipality.

(d) Sundry Debtor accounts

(i) Sundry debtor accounts are raised for miscellaneous charges for services provided by the Municipality or charges that are raised against a debtor as a result of an action by a debtor or person which necessitates a charge to be raised by the Municipality against the debtor or person in terms of Council's policies, by-laws and decisions.

(ii) The sundry debtor account is included in the monthly consolidated account produced by the Municipality.

(10) Final accounts

(a) On receipt of an application for termination of services the final readings of metered services will be taken by the Municipality, the accounts finalized, the customer deposit will be appropriated and if a debit balance remains the balance will be payable by the Customer and if a credit balance remains the balance will be refunded to the Customer, on condition that the Customer has provided the Municipality with a forwarding address.

(b) The Municipality will not pay interest on any security deposit held in respect of service charges.

(11) The due date for payment of accounts in all areas in the Buffalo City Municipal area is the 15th day of the month. Should the 15th day of the month fall on a Saturday, Sunday or public holiday then the due date shall be the first working day thereafter.

(12) Back charges

(a) The Municipality may, if it is found that the relevant Customer of services has been undercharged for a period of time irrespective of the reason, charge the Customer for for a period not exceeding six (6) months from the date that the Customer is made aware of the back charge in writing by the Municipality.

(b) The Customer may settle the back charge in equal instalments over the same period in the relation to the period of the back charge. This arrangement period does not include back charges due to meter tampering.

(c) If it is found that the Customer is back charged due to meter tampering, then the municipality must recover the consumption for the period, not exceeding three (3) years from the date that the Customer is made aware of the back charge in writing by the Municipality. The back charge must be settled in full and no repayment terms will be entertained by the Municipality and the services will remain suspended until the back charge is settled in terms of chapter 16 of the Credit Control Policy.

(13) Billing of Government Funded (RDP) properties

(a) The Municipality will only commence to raise charges in respect of rates and applicable service charges once the property has been officially handed over to the beneficiary (i.e. the keys to the house) by the Directorate responsible for Human Settlements

within the municipality, and the applicable service agreement must have been entered into.

(b) Availability charges will not be raised on Government Funded (RDP) properties.

(14) Responsibility for Payment

14.1 In terms of Section 118 (3) of the Act an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

14.1.1 Accordingly, all such Municipal debts shall be payable by the owner of such property without prejudice to any claim which the Municipality may have against any other person.

14.1.2 The Municipality reserves the right to cancel a contract with the customer in default and register the owner only for services on the property.

14.1.3 No new services will be permitted on a property until debts on the property are paid in full

14.2 Where the property is owned by more than one person, each such person shall be jointly and severally liable, the one paying the other to be absolved, for all Municipal debts charged on the property.

14.3 Except for property rates, owners shall be held jointly and severally liable, the one paying the other to be absolved, with their tenants who are registered as customers, for debts on their property.

14.4 Should any dispute arise as to the amount owing, the customer shall pay all amounts which are not subject to the dispute, including an average amount of the service which is in dispute.

14.5 The owner of the property will be held liable for meter tampering on the property as well as charges that arise there from.

4. METERING OF MUNICIPAL SERVICES

(1) The Municipality may introduce a specific type of metering equipment and may encourage Customers to convert to such a system, which is preferred by the Municipality when it considers this to be beneficial to its functioning and operations.

(2) The Municipality's preferred metering system to measure electricity is the prepayment electricity metering system for residential customers and for certain businesses.

(3) In the instance where there is a credit meter and the Customer's account is in arrears and the service has been disconnected, the owner of the immovable property must apply for the conversion of the credit meter to the prepayment electricity meter. Once application is made and the debt is settled in terms of the conditions of the Credit Control Policy then the supply will be restored.

(4) Electricity and water consumption is measured with credit and prepayment electricity and water meters, where applicable

(5) The following applies to the reading of credit meters: -

(a) Credit electricity and water meters are read in cycles of approximately thirty (30) days.

(b) If for any reason the credit electricity and water meters cannot be read, the Municipality will render an account based on estimated

consumption. A notice will left at the premises on the day of the reading informing the customer of non-access. The Customer will then be required to provide a reading of the relevant meters to the Municipality

(c) The account based on estimated consumption will be adjusted in the subsequent account based on the actual consumption.

(d) The Customer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.

(e) Customers can for reasons of non-accessibility to their properties by meter readers, provide the Municipality with meter readings for billing purposes, provided that an audit reading can be obtained by the Municipality once every six (6) months and provided that a final reading can be obtained should the Customer vacate the property.

(f) If any calculation, reading or metering error is discovered in respect of any account rendered to a Customer –

(i) the error shall be corrected in subsequent account.

(ii) any such correction shall only apply in respect of account for a period of six (6) months preceding the date on which the error in the account was discovered,

(iii) the correction shall be based on the tariffs applicable during the period, and

(iv) the application of this section shall not prevent a Customer from claiming overpayment for any longer period where the Customer is able to prove the claim in the court of lawif it is certified that the leak occurred on a pipe listed on the schedule of approved

pipes and fittings prescribed by the Director responsible for Engineering Services.

(g) When a Customer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly.

(6) The following applies to prepayment metering: -

(a) Prepayment electricity and water are purchased at prepayment vending points for consumption after the date of purchase.

(b) Amounts tendered for the purchase of prepayment electricity and water will not be refunded after the prepayment meter token has been produced.

(c) On request of the Customer copies of the previous prepayment meter tokens will be produced.

(d) Credits remaining in the prepayment meter will not be refunded when a premises is vacated by a Customer.

(e) The Municipality shall not be liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of prepayment meters.

(f) The Municipality will apply all the debt collection actions available on the prepayment system to collect all arrear debt on the account of the debtor.

(g) The Municipality may appoint vendors for the sale of prepayment electricity and does not guarantee the continued operation of any vendor.

(h) The following applies to water leaks that are found on properties: -

(i) Water leaks in the reticulation system on a property and after the water meter is the responsibility of the owner of the property.

(ii) The position mentioned in 4(6)(h)(i) above can be changed by a Council Resolution to solve a water management problem in a certain area or areas.

(iii) If the water leak is on the owner's side of the meter, the Municipality may repair the leak to prevent further water losses and charge the cost of the repair to the account of the owner.

(iv) When a water leak is discovered on a property which resulted in excessive water charges on the account of the Customer, the Customer will be entitled to a water leak rebate if: -

(a) The Customer submits a certificate from a registered plumber or sworn affidavit from any other person who has repaired the leak within ten (10) days of the leak having been repaired.

(b) The said certificate must clearly state the date on which the leak was repaired,

(c) It is confirmed that the leak was not discernable from the surface,

(d) It is certified that the leak occurred on a pipe listed on the schedule of approved pipes and fittings prescribed by the Director responsible for Engineering Services.

(e) The leak must have been repaired within forty-eight hours (48) after detection.

(i) The cost of repairs shall be for the account of the Customer.

(j) The excess charge for water on the account of the Customer due to a water leak will only be adjusted after three (3) monthly readings, following the repair of the water leak, to determine the average consumption during the period the leak occurred.

(k) During the period that the water leak occurred the charge for water will be based on average consumption of water.

5. PAYMENT OF ACCOUNTS

(1) All accounts rendered by the Municipality are due and payable on or before the due date as indicated on the monthly account.

(2) All payments, whether made by cash, cheque, stop order, electronic payments or payments made through agents should be receipted by the Municipality by the close of business on the due date.

(3) Accounts rendered by the Municipality can be paid at any Municipal cashier office and any other pay point as determined by the Municipality, from time to time.

(4) The payment methods and facilities supported by the Municipality can be used to make payments on accounts.

(5) Every effort will be made to ensure that all payments particularly from 3rd party agents are received within the maximum of five (5) days of the original payment date. However the onus is on the customer to make allowance for delays of such payments. Customers must ensure that payments made through 3rd party agents are received in the Municipality's bank account by the due date. The Municipality will not accept responsibility for delays in receipting of payments.

(6) Payments received in respect of rates and service charges will be allocated by the Municipality entirely within its own discretion, on the account of the debtor.

(7) Payments tendered by a Customer can be allocated to any of the customer's accounts at the discretion of the Municipality.

(8) Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account, then to interest charges and then to capital charges raised.

(9) An official receipt issued by the Municipality will be the only proof of payment made.

(10) Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and service charges , and no interest will be payable on that amount by the Municipality.

(11) Where any payment made to the Municipality, or its authorized agent, by negotiable instrument or direct debit, is later dishonored by the bank, the municipality or its authorized agent:

(a) will recover the average bank charges incurred relating to a dishonored negotiable instrument against the account of the customer;
(b) may regard such an event as default on payment and the account shall be dealt with as an arrear account;
(c) reserves the right to take legal action on the negotiable instrument or for recovery of arrears.
(d) Will not accept future cheque payments by the debtor.

Buffalo City Metropolitan Municipality
Credit Control Policy

6. INTEREST ON ARREAR DEBT

(1) Amounts on accounts, which remain unpaid after the due date, shall attract interest irrespective of the reason for non-payment.

(2) The following categories of arrear debt shall not attract interest on arrears:

(a) Indigent debt
(b) Closed accounts
(c) Deceased estates
(d) Insolvent estates
(e) Debtors under administration
(f) Debt under Debt Review

(3) No interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of installment thereof, provided the instalment is paid in full by the due date.

(4) Interest on arrear debt shall be calculated as stipulated in the National Credit Act No.34 of 2005 (NCA), for each month for which such payment remains unpaid shall be charged after thirty (30) days after the statement was delivered to the Customer.

7. ENQUIRIES AND APPEALS

(1) Any aggrieved person may address a grievance or query regarding charges for municipal rates and services to the Chief Financial Officer in writing or may visit any Customer Care office provided by the Municipality.

(2) The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution. The dispute must relate to specific charges raised on the account.

(3) The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account. A monthly payment equal to an average account must be paid by the due date pending finalization of the enquiry. Such arrangement must not exceed ninety (90) days from the registration of the query by the customer.

(4) The Municipality will respond to all inquiries from Customers in writing within sixty days from the lodging of the enquiry.

(5) Objections and Appeals on Property valuations do not stop Credit Control and Debt Collection Procedures and action.

8. DEBT COLLECTION

(1) The Chief Financial Officer is authorized to institute agreed upon debt collection mechanisms without exception and with the intention to proceed until the debt is collected.

(2) All rates and services accounts rendered by the Municipality shall be paid on or before the due date as indicated on the account.

(3) Amounts on accounts, which remain unpaid after the due date, shall attract interest, irrespective of the reason for non-payment.

(4) Amounts on accounts, which remain unpaid after the due date, will be subject to a fourteen (14) day notice period notification prior to the intended debt collection action that will be instituted.

(5) Debt collection action will be taken on the total amount outstanding on the account after the due date. The total amount outstanding

includes property rates, refuse, sewerage, water, electricity, fire levy and sundry debtor charges, and includes handed over debt for which arrangements have not been entered into.

(6) The debt collection action to be taken will be as follows: -

(a) Disconnection of electricity supply

(i) The Municipality shall disconnect the electricity supply to a property if the account rendered by the Municipality is not paid by the due date as indicated on the account and in terms of the fourteen-day pre-termination notice referred to in section 8(4) above.

(ii) Credit electricity meters and prepayment electricity meters will be disconnected for the non-payment of consolidated municipal accounts.

(iii) Disconnection of electricity supply will be for the total amount outstanding on the account, including unpaid amounts handed over for collection to the panel of Collection Agents and not just for the electricity portion of the account.

(iv) Disconnection of electricity supply for the non-payment of an account will be during the 30 day period following the due date.

(v) Penalty fees will be charged to the account of the defaulting debtor.

(b) Block from the purchase of electricity

(i) The Municipality will block a Customer from the purchase of electricity on the prepayment electricity system if the

account rendered by the Municipality is not paid by the due date as indicated on the monthly account.

(ii) The block from purchase of electricity will be for the total amount outstanding on the account, including unpaid amounts handed over for collection to the panel of Collection Agents and not just for the electricity portion of the account.

(iii) The block from purchase of electricity for the non-payment of an account will be during the 30 day period following the due date as stipulated on the monthly account.

(iv) Non-Indigent Customers with arrears will be blocked on a block type that will require the Customer to pay full the amount due to the Municipality before prepayment electricity can be purchased.

(v) Indigent Customers with arrears will be blocked on a block type on the prepayment system that will require the Customer to pay the current monthly account due before prepayment electricity can be purchased and with the purchase of electricity forty (40)% of the amount tendered to purchase electricity will be be allocated to arrear debt. **The amount of the current monthly account due is the amount after the indigent subsidy has been deducted.**

(vi) Customers will be placed on a total block from the purchase of electricity for the following reasons and will only be permitted to purchase electricity after a visit to the Municipal offices by the Customer to attend to the reason for blocking: -

(a) When a Customer moved into a property and failed to apply for services from the Municipality and failed to pay the required security deposit.

(b) When the disconnection of electricity, blocked from the purchase of electricity and the restriction of water flow to the property did not have the desired effect to persuade the Customer to pay the arrear debt.

(c) Restriction or disconnection of water flow

(i) The Municipality will restrict the water flow to a property for the following reasons and will only restore the water flow after a visit to the Municipal office by the Customer to attend to the reasons for the restriction of the water flow: -

(a) When the disconnection of electricity supply or blocked from the purchase of electricity on the prepayment system did not have the desired effect to persuade the Customer to pay the arrear debt.

(b) When the water consumption by indigent Customers is more than the 6kl free water allocation provided by the Municipality to indigent Customers where the account remains unpaid.

(ii) The Municipality will disconnect the water flow to a property under the following circumstances and will only restore the water flow after a visit to the Municipal office by the Customer to attend to the reasons for the disconnection of the water flow: -

(a) The water supply to a business with an unpaid account will be disconnected if the disconnection of

electricity supply to the property or blocked from purchase of electricity from the prepayment electricity system did not have the desired effect to persuade the Customer to pay the arrear debt.

(b) When the Customer moved into a property and failed to apply for services from the Municipality and failed to pay the required security deposit.

(d) Handover of debt to Collection Agents for legal collection

(i) Collection Agents will commence with pre-legal action in the form of:

(a) Letters of Demand

(b) Telephone Calls

(c) Other electronic communication

(ii) The following types of debt will be handed over to Collection Agents: -

(a) Debt that is 120 days and older.

(b) Debt for which no payment arrangements were made.

(c) Debt that relates to non- indigent debtors living in RDP houses. The legal process will be proceeded with as far as sale of movable property.

(iii) The following types of debt will **not** be handed over to Collection Agents: -

(a) Debt of indigent debtors that are registered as indigent as at the date of handover, or debt where there is a pending Indigent application., provided the pending status does not exceed three (3) months from date of application

(b) Debt that is been paid off as per arrangement with the debtor.

(c) Debt that is under valid query in terms of section 102(2) of the Municipal Systems Act no 32 of 2000.

(d) Debt that is under administration or debt review.

(e) Debt of deceased indigent estates.

(iv) The process of legal collection includes (but is not limited to) the following: -

(a) Final demands for payment .

(b) Emolument attachment orders on debtor's salaries.

(c) Summons issued for debt to be paid.

(d) Default judgment to be obtained against the debtor.

(e) The attachment of moveable properties and sale in execution of moveable property

(f) The attachment of immoveable property and the sale of immoveable property.

(g) Only the Municipality will hand debt over to Collection Agents for legal collection and the same debtor will not be handed over to more than one

Collection Agent irrespective of the period that the debt relates to.

(e) Withholding or offsetting grants-in-aid.

The Municipality provides annual grants-in-aid to Institutions on approval of application. If an institution is in arrears with its services account, then the Municipality will withhold the grant-in-aid or the grant-in-aid will be off set against the arrear debt with the Municipality.

(f) Withholding or offsetting payment on contracts.

Institutions or individual persons, who are in contract with the Municipality to provide a service, and who are in arrears with their services account, will have payments to them withheld by the Municipality until the arrear debt with the Municipality is settled or the payment will be off set against the arrear debt with the Municipality.

(g) Section 118 of the Local Government: Municipal Systems Act No 32 of 2000.

a. The Municipality will issue a certificate required for the transfer of immovable property in terms of Section 118 of the Local Government: Municipal Systems Act No 32 of 2000, which is lodged with the Municipality in the prescribed manner, only when all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid. The Municipality will not accept letters of

undertaking and will only release the clearance certificate once the charges contemplated in section 8(6)(d)(g)(a) have been fully paid, whether in cash or by irrevocable bank guaranteed cheque, or an Attorney's Trust account cheque.

(i) Debt older than two years on the property irrespective of whether the owner of the property had accumulated the debt will also have to be paid before the transfer of the property by the owner.

(ii) If the owner refuses to pay the debt which is older than two years, then the Municipality will apply to a competent Court for an order in the following terms:

(a) In the case where there is already a judgment for the payment of the amount, an order that the judgment debt be paid out of the proceeds of the sale, before the mortgage debt is settled.

(b) In the case where there is no judgment debt, for an order staying transfer of the property pending the finalization of a civil action to be instituted against the person who is in law liable for the payment of the outstanding debt.

(c) The action contemplated in section 8(6)(g)(a)(ii)(b) and 8(6)(g)(a)(ii)(c) must be taken before the property is transferred as the statutory lien created by Section 118(3) of the Act only endures until the property has been transferred and in terms of Section 118(5) of the Act can the new owner of the property not

be held liable for the debt that became due before a transfer of a property took place.

(h) Withholding approval of building plans.

Institutions or individual persons, who apply to the Municipality for the approval of a building plan, and who are in arrears with their services account, will have approval of the building plan withheld by the Municipality until the arrear debt with the Municipality is settled.

(i) Other debt collection methods

The debt collection methods mentioned in paragraph 8(6)(a) to 8(6)(h) above are not an exhaustive list of methods that can be applied to collect debt and any other methods that can be initiated, will be implemented with the consent of the Municipal Council, to collect debt.

(7) Debt Collection Cost

Any costs, which include collection costs, charges, disbursements and legal fees to any of the debt collection methods applied to collect the debt, will be charged to the account of the defaulting debtor. The "reconnection fee" charged is due and payable irrespective of whether the electricity and / or water supply was disconnected or not.

9. ARRANGEMENTS TO PAY ARREAR DEBT

(1) The Municipality will not permit arrangements for settlement of debt in instalments for debt in the current, 30 day, 60 day and 90 day ageing categories. Such charges must be paid up front.

(2) One arrangement to settle debt in instalments for debt in 120 days and older will be allowed.

(3) No payment extensions will be allowed on Current accounts due and payable by the due date.

(4) Once the debt is handed over to a Collection Agent, the defaulting debtor may enter into one (1) arrangement with the Collection Agent as stipulated in terms of section 9 of this policy. However, the arrangement application will not apply to the current, 30 day, 60 day and 90 day ageing categories.

(5) The Customer, by signing the arrangement agreement to payoff arrear debt acknowledges the following: -

(a) That debt is owed to the Municipality

(b) That current, 30 day, 60 day and 90 day ageing categories of debt has been settled.

(c) That on default to honour the arrangement agreement, interest on arrears will be charged on the amount due, electricity supply will be disconnected to the property of the Customer or the Customer will be blocked from the purchase of electricity on the prepayment system and/or the water supply to the property of the Customer will be restricted and legal proceedings will be instituted to collect the debt.

(d) That the Customer will be liable for all costs, which includes legal costs, incurred to collect the debt.

(e) Consents to default judgment in terms of section 57 of the Magistrates Court Act of 1944.

(6) Broken arrangement

In the event that an arrangement has been broken by an account holder, no further arrangements will be entertained and the full amount due on the account plus any penalties will be come due and payable. The services will be suspended and where applicable legal action will be implemented.

(7) Arrangements by Indigent Customers

(a) Indigent Customers must have their credit electricity meters converted to prepayment electricity meters.

(b) Indigent Customers are required to pay their current monthly account, which is the amount after indigent subsidy has been deducted, every month on or before the due date.

(c) Indigent Customers with arrears will be blocked on a block type on the prepayment electricity system that will require the Customer to pay the current monthly account due before prepayment electricity can be purchased and with the purchase of electricity, 40% of the amount tendered to purchase electricity will be held back and be allocated to arrear debt. The amount of the current monthly account due is the amount after the indigent subsidy has been deducted.

(8) Arrangements by Residential Customers

(a) No arrangements or payment extensions for payment will be allowed for current, 30 day, 60 day and 90 day debt ageing categories.

(b) The current, 30 day, 60 day and 90 day debt must be paid up front.

(c) A once-off arrangement can be entered into by the customer to settle the 120 day and older debt in equal instalments up to twelve (12) months.

(d) Only written arrangements will be accepted and must be entered into by the account holder or proxy.

(9) Arrangements by Non-Residential Customers

(a) No arrangements or payment extensions for payment will be allowed for current, 30 day, 60 day and 90 day debt ageing categories.

(b) The current, 30 day, 60 day and 90 day debt must be paid up front.

(c) A once-off arrangement can be entered into by the customer to settle the 120 day and older debt in equal instalments up to six (6) months.

(d) Only written arrangements will be accepted and must be entered into by the account holder or proxy.

(10) Debt Incentive Scheme

Customers who are in arrears with 120 days and older debt with their rates and service accounts may apply to the Municipality for a debt settlement discount as and when the Municipality approves the implementation of such a scheme.

(11) Arrangements on partially collectable debt

a. Partially collectable debt can be described as debt that cannot be collected in full through application of debt collection processes and that it is in the best interest of the Municipality to accept part payment of the debt in full and final settlement.

b. All the debt collection processes must have been followed and if at the sale-in-execution of the property no interest is shown by prospective bidders to purchase the property, offers for the purchase of the property must be obtained and the relevant attorney must submit a report to the Municipal Council.

c. The market value of the property must be obtained and a report must be submitted to the Municipal Council on the offer to purchase that was received.

d. The Municipal Council must make a decision to accept the offer for full and final settlement of the debt and by accepting the offer the Municipal Council must also resolve to write off the remaining debt on the property as irrecoverable.

10. INDIGENT DEBTORS

(1) An account holder (Customer) may apply, for Indigent support as prescribed in the Indigent Support Policy of this Municipality.

(2) Debt of deceased indigent estates –

(a) Until the property is transferred from the deceased estate to the new owner or heir all the services from the account of the deceased owner as at the date of death will be transferred to the account of the occupant, which must include the valuations of the property in order to charge the occupant for property rates.

(b) The occupant of the property must sign an agreement in which the occupant agrees to pay all the rates and service charges that are to be raised on the property that is occupied.

(c) The following circumstances must prevail to transfer the services to the account of the occupant: -

(i) The house must be a government funded RDP house.

(ii) The occupant of the house must be a registered indigent Customer with the Municipality and be receiving an indigent subsidy from the Municipality.

(iii) The Director responsible for Land Administration will, on approval of the "Affidavit: Deceased Estate" agreement, proceed with the transfer of the property from the deceased indigent estate to the name of the appointed registered Indigent heir of the property at the Municipality's cost.

(iv) Once the property has been transferred, the debt of the Deceased Indigent Estate will be submitted to Council for approval to write off.

11. MUNICIPAL STAFF AND COUNCILLORS – PAYMENT OF ARREARS

(1) Section 10 of schedule 2 of the Local Government: Municipal Systems Act, No 32 of 2000 provides the following: -

"A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than three (3) months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

(2) Arrear debt relating to rates and service charges will be collected from staff and Councillors in terms of collection arrangements approved by the City Manager from time to time.

(3) The financial situation of each applicant will be assessed.

(4) If the staff member or Councillor cannot afford to repay the debt over six months, the debt be spread over twelve months or the repayment installment will not be greater than 50% of the staff member's nett salary. In each case, the size of the debt and the nett salary may be considered.

(5) Municipal staff and Councillors are not entitled to benefit from the Indigent Support subsidy whilst employed and if it is discovered that a staff member or councillor has benefitted from the Indigent Support subsidy after the date of their employment with the Municipality, this will result in disciplinary action being taken against the relevant staff member or Councillor.

(6) No owner or tenant of a property may benefit from the Indigent support subsidy whilst a municipal staff member or Councillor is residing on the same property.

12. ADMINISTRATION ORDERS – PAYMENT OF ARREARS

(1) A person can apply for the administration of its estate in terms of section 74 of the Magistrates Court Act, 1944.

(2) On notification that the order had been granted, the Municipality will manage the debt that is part of the administration order separately to the current account.

(3) The debtor will be responsible for the payment of the current monthly account and if the debtor defaults on the payment of the account, debt collection action will be implemented.

Buffalo City Metropolitan Municipality
Credit Control Policy

13. WRITE OFF OF IRRECOVERABLE DEBT

(1) The objective to write off irrecoverable debt is to have a debt book that does not reflect irrecoverable debt.

(2) The Municipal Council's approval must be obtained to write off irrecoverable debt.

(3) In the submission to the Municipal Council to write off debt the Council must be provided with details of –

(a) The debt collection procedures implemented to recover the debt and the costs incurred as a result thereof;

(b) The reasons why the debt collection procedures were not successful and had to be abandoned;

(c) The debtors financial position, if known;

(d) Reasons why the debt or a portion thereof is regarded as being irrecoverable.

(4) Debt can be regarded as irrecoverable under the following circumstances: -

(a) Debt that was subjected to all the debt collection procedures provided for in this policy and still was unsuccessful to collect the debt and where the debt collection process had to be abandoned.

(b) Debt of which the cost to collect debt has exceeded the debt amount.

(c) Debt of indigent debtors that cannot be collected after the implementation of the debt collection procedures applicable to indigent Customers provided for in this policy

(d) Small amount debt of which the cost to collect the debt is more than the debt amount.

(e) Debt of deceased estates –

(i) Claims must have been submitted to the estate of the deceased

(ii) The executor of the estate advised the Municipality in writing that there are no funds in the estate.

(f) Debt of debtors who have emigrated –

(i) Debt collection procedures must have been implemented.

(ii) The Municipality was informed by a reliable source that the debtor had emigrated.

(iii) The emigrating authorities had confirmed that the debtor had emigrated.

(g) Debt that has prescribed –

(i) Debt collection procedures must have been implemented.

(ii) Debt must be older than three years.

(iii) Debt must comply with the provisions of section 10 Chapter III of the Prescription Act No 68 of 1969.

(h) Debt of insolvent estates –

(i) Debt collection procedures must have been implemented.

(ii) Claims must have been submitted to the liquidators of the insolvent estate.

(iii) The liquidators of the insolvent estate must advise the Municipality in writing that there are no funds in the estate.

(iv) The Municipality received dividends on the amount owing and was advised that the estate had been finalized and there will be no further dividends forthcoming.

(5) The annual Revenue Budget will include an amount to provide for the amount to be written off.

(6)

14. DEBT IMPAIRMENT ALLOWANCE

(1) In terms of the relevant Generally Recognised Accounting Practise (GRAP) standards, the Municipality must determine a Debt Impairment Allowance related to the debtors book.

(2) The objective of the debt impairment allowance is to make a realistic provision annually in the Revenue budget to cater for charges raised in terms of the annual budget that cannot be collected.

(3) The calculation of the debt impairment allowance will be based on an extract of The Municipality's debtors' book as at the last day of the financial year.

15. CERTIFICATES REQUIRED FOR TENDERS

(1) A person or an institution reacting to a tender published by the Municipality or wishing to enter into a contract to either provide services or goods to the Municipality must produce a certificate, on the prescribed form, which states that regular payment of rates and services accounts are maintained and that the account are currently up to date.

(2) A person who fails to provide such a certificate shall be disqualified from the tendering process.

(3) When inviting tenders for the provision of services or delivery of goods, potential contractors / service providers / suppliers (hereinafter referred to as tenderer) must declare that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid.

(4) The Municipality will, at its sole discretion check whether all the Municipal accounts are up to date. A copy of the consolidated bill and rates account must be attached to all tender documents.

(5) Where a contractors place of business or business interests are outside the jurisdiction of the Municipality, a Debt Clearance Certificate from the relevant Municipality must be produced.

(6) When a tender is awarded, the Municipal debts of the tenderer must be paid in full before the contract with the Municipality is concluded.

(7) Where payments are due to a tenderer in respect of goods or services provided to the Municipality, any arrear amount owing to the Municipality may be set off against such payments.

(8) This Policy applies to quotations, public tenders and tenders in terms of the Supply Chain Management policy.

16. THEFT AND FRAUD

(1) The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities.

(2) The Municipal Council may approve specific penalties and distinguish between cases of vandalism and theft.

(3) Subsequent acts of tampering may lead to a refusal to supply certain services for determined periods.

17. REPORTING AND PERFORMANCE MANAGEMENT

(1) The Chief Financial Officer shall report monthly to the City Manager in a suitable format to enable the City Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c).

(2) This report shall contain particulars on cash collection statistics, showing high-level debt recovery information, where available (such as numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.

(3) If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by the Municipal Council, the Chief Financial Officer will report this with motivation to the City Manager who will, if in agreement with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels.

(4) The Executive Mayor as Supervisory Authority shall, at intervals of three (3) months, submit a report to the Council as contemplated in section 99(c) of the Systems Act.

18. INCOME COLLECTION TARGET

Income collection targets will be set by the Chief Financial Officer to achieve the optimum debt collection ratio i.e. receipt / billing, that will satisfy the Municipality's IDP objectives.

Buffalo City Metropolitan Municipality
Credit Control Policy

19. APPLICATION, IMPLEMENTATION AND REVIEW OF THE POLICY

19.1 The Municipal Council reserves the right to differentiate between different categories of Customers, debtors, services or service standards when applying this Policy. The Municipal Council will on application of the credit control policy avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution. No debtor may be exempted from credit control action as a sign of goodwill for any period of time as this is in contravention of the actions applied in this policy and the Credit Control principles contained in the Municipal Systems Act No. 32 of 2000

19.2 The Debt Management Department is the custodian of the Policy and responsible for implementation and review of the policy.

19.3 In terms of section 17(1)(e) of the Municipal Finance Management Act no. 56 of 2003, this policy must be reviewed on an annual basis and the reviewed policy must be tabled to the Municipal Council for approval as part of the budget process.

12. COMPETENCE AND CAPACITY TO IMPLEMENT THE POLICY

1.1 The Policy should be available and communicated to all staff

1.2 All staff must be aware of the prescriptions of the policy

1.3 All staff must be aware of the procedures contained in this policy

1.4 Supervisors/Managers must ensure compliance with this policy

12

BUFFALO CITY
METROPOLITAN MUNICIPALITY

AGENDA

BUFFALO CITY METROPOLITAN COUNCIL

29 MAY 2015

11.00 A.M.

BUFFALO CITY
METROPOLITAN MUNICIPALITY

BUFFALO CITY METROPOLITAN COUNCIL

The following supplementary report is circulated for consideration by the Buffalo City Metropolitan Council at its meeting to be held on

FRIDAY, 29 MAY 2015

at

11.00 A.M.

in the

MAIN AUDITORIUM, BORDER CONFERENCE CENTRE
(Abbotsford Christian Centre)

COUNCILLOR L.E. SIMON-NDZELE
SPEAKER
JFA/p/z
(AGENDAS/2015/F-PAGE/Bcmc Supp (METRO)/12BCMC29-5)

Elco Building, Fleet Street
EAST LONDON

22 MAY 2015

REPORT

17. Report of the Executive Mayor
(Continues on Supplementary Agenda No. 13)

Item No.	Subject	Page No.
11	Buffalo City Metropolitan Municipality's Final 2015/16 Integrated Development Plan and Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP)	2466

[NOTE : ANNEXURE OF REPORT NO. 11 CONTINUED FROM SUPPLEMENTARY AGENDA NO. 11 DUE TO THE VOLUME THEREOF.]

BUFFALO CITY
METROPOLITAN MUNICIPALITY

Buffalo City Metropolitan Municipality

Credit Control By-Law

Reviewed by BCMC on 25 June 2014
Council Resolution Number: BCMC 225/14

Buffalo City Metropolitan Municipality
Credit Control By-Law

1. BY-LAW TITLE

CREDIT CONTROL BY-LAW

2. PREAMBLE

WHEREAS section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*'the Constitution'*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

AND WHEREAS section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*'the Systems Act'*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;

AND WHEREAS section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

Buffalo City Metropolitan Municipality
Credit Control By-Law

Adoption of a Credit Control By-Law

The Buffalo City Metropolitan Municipality hereby adopted a Credit Control and Debt Collection by-law in terms of section 96(b) of the Local Government: Municipal Systems Act, No. 32 of 2000.

3. DEFINITIONS

In this by-law any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise-

"Arrangement"	means a written agreement entered into between the Municipality and the debtor where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.
"Arrears"	means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.
"Account"	means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and which account may or may not include assessment rates levies;
"Authorized Representative"	means a person or instance legally appointed by the Municipality to act or to fulfil a duty on its behalf
"Billing date"	means the date upon which the monthly statement is generated and debited to the customer's account.
"Business premises"	means premises utilized for purposes other than residential and excludes the following: - (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain; (b) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and are open to the public, whether admission fees are charged or not;

	(c) sports grounds used for the purpose of amateur sports and any social activities which are connected with such sports; (d) any property registered in the name of an institution or organization which, in the opinion of the Municipality, performs charitable work; (e) any property utilized for bona fide church or religious purposes.
"Chief Financial Officer"	means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.
"Credit Control"	means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services.
"Council"	means the Municipal Council of Buffalo City Metropolitan Municipality or any duly authorized Committee, political office bearer or official of the said Council.
"Customer"	means any occupier of any premises to which the Municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the Municipality.
"day/days"	means calendar days, inclusive of Saturdays, Sundays and public holidays.
"Debt Collection Agent"	means a debt collector or attorney appointed by the municipality to collect rates and service charges.
"Debt Collection"	means the activity to collect monies owed by a debtor.
"Debt Impairment Allowance"	means the irrecoverable amount calculated on the billing debtor balance as at 30 June of a financial year by which the debtor balance must be reduced in the Annual Financial Statements.
"Defaulter"	means any person owing the Municipality arrear monies in respect of taxes and/or service charges. in relation to – (a) rates due in respect of any immovable property, means the thirtieth (30) day of September of the financial year for which such rate is made, or any other date determined by the Council by notice in the Provincial Gazette, and

Buffalo City Metropolitan Municipality
Credit Control By-Law

	(b) in respect of service charges due in respect of any immovable property, means the date for payment indicated on the account. (c) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.
"Due Date"	means: the date the municipal account is due and payable, which is the fifteenth (15th) of every month, unless this day falls on a weekend or public holiday, in which case the due date is the first working day following the fifteenth (15th) of the month.
"Immovable property"	includes – (a) an undivided share in immovable property, and (b) any right in immovable property.
"Implementing Authority"	means the City Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act No. 32 of 2000.
"Indigent debtor"	means: (a) the head of an indigent household: (i) who applied for and has been declared indigent in terms of the Municipality's Indigent Support Policy for the provision of services from the municipality; and (ii) who makes application for indigent support in terms of the Municipality's Indigent Support Policy on behalf of all members of his or her household; (b) orphaned minor children duly represented by their legal and/or defacto guardians.
"Indigent Support Programme"	means a structured programme for the provision of indigent support subsidies to qualifying indigent debtors in terms of the Municipality's Indigent Support Policy.
"Indigent Support Policy"	means the Indigent Support Policy adopted by the Council of the Municipality.
"Interest"	means a charge levied on all arrear monies with the same legal priority as service fees and calculated at a rate determined by the Municipality, from time to time;
"Month"	means a calendar month.

Buffalo City Metropolitan Municipality
Credit Control By-Law

"Monthly average consumption"	means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months.
"Municipal pay point"	means any municipal office in the area of jurisdiction of the municipality designated by the Municipality for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.
"Municipal services"	means services provided either by the municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement.
"Municipality"	means the Buffalo City Metropolitan Municipality.
"City Manager"	means the City Manager of the Buffalo City Metropolitan Municipality or his or her nominee acting in terms of power delegated to him or her by the said City Manager with the concurrence of the Council.
"Occupier"	means the person who controls and resides on or controls and otherwise uses immovable property, provided that - (a) the husband or wife or life companion of the owner of immovable property which is at any time used by such owner and husband or wife or life companion as a dwelling, shall be deemed to be the occupier thereof; (b) where a husband and wife or life companion both reside on immovable property and one of them is an occupier thereof; the other shall also be deemed to be an occupier thereof.
"Owner"	in relation to immovable property means - (a) the person in whom is vested the legal title thereto provided that - (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof; (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof; (b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

Buffalo City Metropolitan Municipality
Credit Control By-Law

	(c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or (i) if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.
"Premises"	includes any piece of land, the external surface boundaries of which are delineated on: (a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or (b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.
"Prescribed"	means prescribed by this by-law and where applicable by the the Council or the City Manager.
"Prescribed debt"	means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969.
"Person"	means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.
"Rates"	means any tax, duty or levy imposed on property by the municipality.
"Reconnection fee"	means the penalty fee imposed on a defaulting debtor appearing on the debt collection action list, and is due and payable irrespective if the services have been suspended or not.
"Registered owner"	means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no. 47 of 1937.
"Responsible person"	means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.
"Service Agreement"	means the application form that is completed by the owner of the property for the provision of Municipal services
"Service charges"	means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this by-law.

Buffalo City Metropolitan Municipality
Credit Control By-Law

"Service delivery agreement"	means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.
"Sundry debtor accounts"	means accounts raised for miscellaneous charges for services provided by the Municipality or charges that was raised against a person as a result of an action by a person and which was raised in terms of the Council's policies, by-laws and decisions
"Supervisory Authority"	means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000.
"Tariff"	means any rate, tax, duty and levy or fee which may be imposed by the municipality for services provided either by itself or in terms of a service delivery agreement.
"Tariff Policy"	means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.
"User"	means the owner or occupier of a property in respect of which municipal services are being rendered.

4. BY-LAW STATEMENT

It is the policy of Buffalo City Metropolitan Municipality to effectively collect all revenue due to it.

5. MAIN PURPOSE

The main purpose of the Credit Control By-Law is to effectively collect all revenue due to the Municipality

6. SCOPE OF THE BY-LAW

The Credit Control By-Law applies to all billed customers within the Buffalo City Metropolitan Municipal boundaries.

Buffalo City Metropolitan Municipality
Credit Control By-Law

7. LEGAL FRAMEWORK

The statutory framework on which the Credit Control By-Law is founded is as follows:

Constitution of the Republic of South Africa Act 108 of 1996 (*'the Constitution'*)

Section 152 (1) (b)
Section 153 (a)
Section 195 (1)

Local Government: Municipal Systems Act 33 of 2000 (*'the Systems Act'*)

Section 4 (1) (c)
Section 5 (1) (g), read with subsection (2) (b),
Section 6 (2) (c), (e) and (f)
Chapter 9, sections 95, 96, 97, 98, 99 and 100,

8. STRATEGIC OBJECTIVES

To collect all Revenue due to the Municipality

9. GUIDING PRINCIPLES

The guiding principles supported in this by-law are: -

(1) The administrative integrity of the municipality must be maintained at all times.

(2) The by-law must have the full support of the Council and the community.

(3) Councillors must have full knowledge of the implementation and enforcement of the by-law.

(4) The Executive Mayor oversees and monitors the implementation and enforcement of this by-law.

(5) The City Manager implements and enforces this by-law.

(6) The City Manager may delegate the implementation and enforcement of this by-law to the Chief Financial Officer.

(7) Customers must apply for services from the Municipality by the completion of the prescribed application form.

(8) Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due.

(9) Customers must pay their accounts regularly by the due date.

(10) Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.

(11) Customers are entitled to an efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.

(12) Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt is collected.

10. GOVERNANCE ISSUES

(1) The Executive Mayor oversees and monitors –

(a) The implementation and enforcement of the municipality's credit control by-law.

(b) The performance of the City Manager in implementing the credit control by-law.

(2) The Executive Mayor shall at least once a year, cause an evaluation or review of the credit control by-law to be performed in order to improve the efficiency of the Municipality's credit control and debt collection mechanisms, processes and procedures and to the implementation of this by-law.

(3) The City Manager shall submit a report to the Council regarding the implementation of the credit control by-law at such intervals as the Council may determine.

(4) The City Manager: -

(a) Implements and enforces the credit control by-law.

(b) Is accountable to the Executive Mayor for the enforcement of the by-law and shall submit a report to the Executive Mayor regarding the implementation and

enforcement of the Credit Control By-Law at such intervals as may be determined by Council.

(c) Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the Municipality.

(d) Where necessary, propose to the Executive Mayor with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures.

(e) Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by the Council that my affect account holders.

(f) Establish customer service centres, which are located in such communities as determined by the Municipality.

(g) Convey to account holders information relating to the costs involved in service provision, the reasons for payment of services are utilized, and may where necessary; employ the services of local media to convey such information.

(5) The City Manager may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of the Council's Credit Control by-law to the Chief Financial Officer.

(6) A delegation in terms of subsection (5) –

(a) Is subject to any limitations or conditions that the City Manager may impose;

(b) May authorize the Chief Financial Officer to, in writing, sub-delegate power to another official of the municipality;

(c) Does not divest the City Manager of the responsibility concerning the exercise of the delegated power.

(7) The Chief Financial Officer shall be responsible to the City Manager for the implementation, enforcement and administration of this by-law, and the general exercise of his powers in terms of this by-law.

Buffalo City Metropolitan Municipality
Credit Control By-Law

11. BY-LAW

1. APPLICATION FOR THE PROVISIONS OF MUNICIPAL SERVICES

(1) A Customer who requires the provision of municipal services must apply for the service from the Municipality, in writing.

(2) No registrations or additions to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer has been produced in each instance.

(3) The application for the provision of municipal services must be made by the registered owner of an immovable property. If there is an outstanding debt on the property, this debt must be settled in full before the new customer is registered.

(4) The Municipality will not entertain an application for the provision of municipal services from a tenant of a property, or any other person who is not the owner of the property.

(5) The only exception to point (4) above is that individuals and businesses with lease agreements who lease properties from the Municipality will be allowed to open an account in the name of the lessee of the property. Registered indigent tenants will be allowed in terms of the Deceased Estate and Absconded Owner Schemes to open accounts in their name in order to benefit from the rebates offered by the Municipality. A tenant account may be opened in the name of the Government department/s who lease properties to their tenants.

(6) An agent may, with a proxy open an account in the name of the owner provided all the statutory information of the owner is supplied provided all the statutory information of the owner is supplied.

(7) The application for the provision of municipal services must be made in writing on the prescribed application form that is provided by the Municipality.

(8) By completing the prescribed application form for the provision of municipal services the Customer of services enters into an agreement with the Municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be an incidental credit agreement as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

(9) The agreement with the Municipality makes provision for the following:

(a) An undertaking by the owner that he or she will be liable for collection costs including administration fees, interests, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date;

(b) An acknowledgement by the owner that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account; and

(c) That the onus will be on the owner to ensure that he or she is in possession of an account before the due date.

(d) An undertaking by the Municipality that it shall do everything in its power to deliver accounts timeously.

(e) An undertaking by the Directors of Companies or members of Closed Corporations and Trustees of Trusts that they will be held individually responsible for the payment of the account, should the company or closed corporation or Trust default on payment of the

account, in terms of the terms and conditions as stipulated in the application for services agreement

(10) The application for the provision of municipal services shall be made at least ten (10) days prior to the date on which the services are required to be connected.

(11) On receipt of the application for provision of municipal services, the Municipality will cause the reading of metered services linked to the property to be taken on the working day preceding the date of occupation.

(12) The first account for services will be rendered, after the first meter reading cycle to be billed following the date of signing the service agreement.

(13) Customers who fail to register and who illegally consume services will be subjected to such administrative, civil or criminal action as the Municipality deems appropriate

(14) Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the owner to advise the Municipality of such change.

2. DEPOSITS AND GUARANTEES

(1) On application for the provision of municipal services the prescribed Customer deposit shall be paid.

(2) A guarantee in lieu of a deposit will be accepted on application for the provision of municipal services by a business in terms of the prevailing conditions determined by the Municipality at the time of the application.

(3) Existing Customers moving to a new address are required to pay the prescribed Customer deposit on application for the provision of municipal services at the new address.

(4) The minimum deposit payable is determined annually by the Council and is contained in the tariff book produced annually.

(5) The Customer deposit paid on application for the provision of municipal services may be increased or decreased, upon written notice to Customers, if found that the deposit is not equal to the estimated charges for the supply of electricity and water for a period of three (3) months.

(6) The Municipality may increase the amount of the deposit required from the owner of a property where the electricity supply had been disconnected at least twice during the preceding period of twelve months, after the owner of the property was given notice of the Municipality's intention to increase the deposit.

(7) On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.

(8) The Municipality may appropriate a customers' deposit on any account related to that customer

3. ACCOUNTS, BILLING AND RESPONSIBILITY FOR PAYMENT

(1) The Municipality provides all Customers of municipal services monthly with a consolidated account for all services rendered.

(2) The consolidated account will include property rates charges where applicable.

(3) Accounts are produced on a monthly basis in cycles of approximately 30 days.

(4) All accounts rendered by the Municipality shall be payable on the due date as indicated on the account.

(5) Amounts on accounts, which remain unpaid after the due date, shall attract interest on arrears irrespective of the reason for non-payment.

(6) All accounts are payable by the due date regardless of the fact that the person responsible for the payment of the account has not received the account. The onus is on the account holder to obtain a copy of the account before the due date.

(7) Customers are required to update their information details with the Municipality as and when their details change. The Municipality will, in a cycle of two (2) years send out a pre-populated document related to the updating and verification of customer information which must be completed by the account holder or proxy and be submitted to the municipality within the prescribed period as determined by the Municipality. Failure to respond to the Municipality's request for updated information will result in withholding of services, disconnection of services or any other appropriate action.

(8) When electricity and water consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised, the relevant charges for electricity and water services shall be raised against the registered owner on his consolidated bill.

(9) The Municipality bills an owner of a property for the following rates and service charges: -

(a) Property Rates, Refuse and Sewerage charges

(i) Property rates, refuse and sewerage charges are billed monthly. The owner of the immovable property must make a written application to the Municipality in order to be billed on an annual basis.

(ii) The Municipality's preference is that property rates, refuse and sewerage charges be charged monthly. Due to historical legislation these charges are being charged monthly and annually.

(iii) Property rates, refuse and sewerage charges charged annually are billed on the July account of each year and the due date for the payment of these charges is 30 September of each year.

(iv) Property rates refuse, and sewerage charges charged monthly are billed on the monthly accounts and the due date for the payment of the charges will be as indicated on the accounts.

(v) The tariffs to calculate the Property rates, refuse and sewerage charges are determined annually and approved by the Council and are contained in the tariff book produced by the Municipality.

(b) Electricity and Water Charges

(i) Consumption of electricity and water is billed in terms of metered consumption.

(ii) Monthly accounts are rendered for electricity and water consumption and the due date for the payment of the accounts will be the date as indicated on the account.

(iii) The tariffs to calculate the electricity and water charges are determined annually and approved by the Council and are contained in the tariff book produced by the Municipality.

(iv) Consumption that is not metered will be charged at a tariff as determined by the Municipality.

(c) Fire levy

(i) Property owners within Buffalo City Metropolitan Municipality area are charged a fire levy instead of being charged when the Fire Department responds to fire calls in respect of dwellings and businesses and vacant land.

(ii) The fire levy is charged monthly on the account produced by the Municipality.

(d) Sundry Debtor accounts

(i) Sundry debtor accounts are raised for miscellaneous charges for services provided by the Municipality or charges that are raised against a debtor as a result of an action by a debtor or person which necessitates a charge to be raised by the Municipality against the debtor or person in terms of the Council's policies, by-laws and decisions.

(ii) The sundry debtor account is included in the monthly consolidated account produced by the Municipality.

(10) Final accounts

(a) On receipt of an application for termination of services the final readings of metered services will be taken by the Municipality, the accounts finalized, the customer deposit will be appropriated and if a debit balance remains the balance will be payable by the Customer and if a credit balance remains the balance will be refunded to the Customer, on condition that the Customer has provided the Municipality with a forwarding address.

(b) The Municipality will not pay interest on any security deposit held in respect of service charges.

(11) The due date for payment of accounts in all areas in the Buffalo City Municipal area is the 15th day of the month. Should the 15th day of the month fall on a Saturday, Sunday or public holiday then the due date shall be the first working day thereafter.

(12) Back charges

(a) The Municipality may, if it is found that the relevant Customer of services has been undercharged for a period of time irrespective of the reason, charge the Customer for a period not exceeding six (6) months from the date that the Customer is made aware of the back charge in writing by the Municipality.

(b) The Customer may settle the back charge in equal instalments over the same period in the relation to the period of the back

charge. This arrangement period does not include back charges due to meter tampering.

(c) If it is found that the Customer is back charged due to meter tampering, then the municipality must recover the consumption for the period, not exceeding three (3) years from the date that the Customer is made aware of the back charge in writing by the Municipality. The back charge must be settled in full and no repayment terms will be entertained by the Municipality and the services will remain suspended until the back charge is settled in terms of chapter 16 of the Credit Control By-Law.

(13) Billing of Government Funded (RDP) properties

(a) The Municipality will only commence to raise charges in respect of rates and applicable service charges once the property has been officially handed over to the beneficiary (i.e. the keys to the house) by the Directorate responsible for Human Settlements within the municipality, and the applicable service agreement must have been entered into.

(b) Availability charges will not be raised on Government Funded (RDP) properties.

(14) Responsibility for Payment

14.1 In terms of Section 118 (3) of the Act an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys

preference over any mortgage bond registered against the property.

14.1.1 Accordingly, all such Municipal debts shall be payable by the owner of such property without prejudice to any claim which the Municipality may have against any other person.

14.1.2 The Municipality reserves the right to cancel a contract with the customer in default and register the owner only for services on the property.

14.1.3 No new services will be permitted on a property until debts on the property are paid in full.

14.2 Where the property is owned by more than one person, each such person shall be jointly and severally liable, the one paying the other to be absolved, for all Municipal debts charged on the property.

14.3 Except for property rates, owners shall be held jointly and severally liable, the one paying the other to be absolved, with their tenants who are registered as customers, for debts on their property.

14.4 Should any dispute arise as to the amount owing, the customer shall pay all amounts which are not subject to the dispute, including an average amount of the service which is in dispute.

14.5 The owner of the property will be held liable for meter tampering on the property as well as charges that arise there from.

4. METERING OF MUNICIPAL SERVICES

(1) The Municipality may introduce a specific type of metering equipment and may encourage Customers to convert to such a system, which is preferred

by the Municipality it considers this to be beneficial to its functioning and operations.

(2) The Municipality's preferred metering system to measure electricity is the prepayment electricity metering system for residential customers and for certain businesses.

(3) In the instance where there is a credit meter and the Customer's account is in arrears and the service has been disconnected, the owner of the immovable property must apply for the conversion of the credit meter to the prepayment electricity meter. Once application is made and the debt is settled in terms of the conditions of the Credit Control Policy, then the supply will be restored.

(4) Electricity and water consumption is measured with credit and prepayment electricity and water meters, where applicable.

(5) The following applies to the reading of credit meters: -

(a) Credit electricity and water meters are read in cycles of approximately thirty (30) days.

(b) If for any reason the credit electricity and water meters cannot be read, the Municipality will render an account based on estimated consumption. A notice will left at the premises on the day of the reading informing the customer of non-access. The Customer will then be required to provide a reading of the relevant meters to the Municipality

(c) The account based on estimated consumption will be adjusted in the subsequent account based on the actual consumption.

(d) The Customer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.

(e) Customers can for reasons of non-accessibility to their properties by meter readers, provide the Municipality with meter readings for billing purposes, provided that an audit reading can be obtained by the Municipality once every six (6) months and provided that a final reading can be obtained should the Customer vacate the property.

(f) If any calculation, reading or metering error is discovered in respect of any account rendered to a Customer –

(i) the error shall be corrected in subsequent account.

(ii) Any such correction shall only apply in respect of account for a period of six (6) months preceding the date on which the error in the account was discovered,

(iii) the correction shall be based on the tariffs applicable during the period, and

(iv) the application of this section shall not prevent a Customer from claiming overpayment for any longer period where the Customer is able to prove the claim in the court of law if it is certified that the leak occurred on a pipe listed on the schedule of approved pipes and fittings prescribed by the Director responsible for Engineering Services.

(g) When a Customer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly.

(6) The following applies to prepayment metering: -

(a) Prepayment electricity and water are purchased at prepayment vending points for consumption after the date of purchase.

(b) Amounts tendered for the purchase of prepayment electricity and water will not be refunded after the prepayment meter token has been produced.

(c) On request of the Customer copies of the previous prepayment meter tokens will be produced.

(d) Credits remaining in the prepayment meter will not be refunded when a premises is vacated by a Customer.

(e) The Municipality shall not be liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of prepayment meters.

(f) The Municipality will apply all the debt collection actions available on the prepayment system to collect all arrear debt on the account of the debtor.

(g) The Municipality may appoint vendors for the sale of prepayment electricity and does not guarantee the continued operation of any vendor.

(h) The following applies to water leaks that are found on properties: -

(i) Water leaks in the reticulation system on a property and after the water meter is the responsibility of the owner of the property.

(ii) The position mentioned in 4(6)(h)(i) above can be changed by a Council Resolution to solve a water management problem in a certain area or areas.

(iii) If the water leak is on the owner's side of the meter, the Municipality may repair the leak to prevent further water losses and charge the cost of the repair to the account of the owner.

(iv) When a water leak is discovered on a property which resulted in excessive water charges on the account of the Customer, the Customer will be entitled to a water leak rebate if: -

(a) The Customer submits a certificate from a registered plumber or sworn affidavit from any other person who has repaired the leak within ten (10) days of the leak having been repaired.

(b) The said certificate must clearly state the date on which the leak was repaired,

(c) It is confirmed that the leak was not discernable from the surface,

(d) It is certified that the leak occurred on a pipe listed on the schedule of approved pipes and fittings prescribed by the Director responsible for Engineering Services.

(e) The leak must have been repaired within forty-eight hours (48) after detection.

(i) The cost of repairs shall be for the account of the Customer.

(j) The excess charge for water on the account of the Customer due to a water leak will only be adjusted after three (3) monthly readings, following the repair of the water leak, to determine the average consumption during the period the leak occurred.

(k) During the period that the water leak occurred the charge for water will be based on average consumption of water.

Buffalo City Metropolitan Municipality
Credit Control By-Law

5. PAYMENT OF ACCOUNTS

(1) All accounts rendered by the Municipality are due and payable on or before the due date as indicated on the monthly account.

(2) All payments, whether made by cash, cheque, stop order, electronic payments or payments made through agents should be receipted by the Municipality by the close of business on the due date.

(3) Accounts rendered by the Municipality can be paid at any Municipal cashier office and any other pay point as determined by the Municipality, from time to time.

(4) The payment methods and facilities supported by the Municipality can be used to make payments on accounts.

(5) Every effort will be made to ensure that all payments particularly from 3rd party agents are received within the maximum of five (5) days of the original payment date. However the onus is on the customer to make allowance for delays of such payments. Customers must ensure that payments made through 3rd party agents are received in the Municipality's bank account by the due date. The Municipality will not accept responsibility for delays in receipting of payments.

(6) Payments received in respect of rates and service charges will be allocated by the Municipality entirely within its own discretion, on the account of the debtor.

(7) Payments tendered by a Customer can be allocated to any of the customer's accounts at the discretion of the Municipality.

(8) Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account, then to interest charges and then to capital charges raised.

(9) An official receipt issued by the Municipality will be the only proof of payment made.

(10) Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and service charges , and no interest will be payable on that amount by the Municipality.

(11) Where any payment made to the Municipality, or its authorized agent, by negotiable instrument or direct debit, is later dishonored by the bank, the municipality or its authorized agent:

(a) will recover the average bank charges incurred relating to a dishonored negotiable instrument against the account of the customer;
(b) may regard such an event as default on payment and the account shall be dealt with as an arrear account;
(c) reserves the right to take legal action on the negotiable instrument or for recovery of arrears.
(d) Will not accept future cheque payments by the debtor.

6. INTEREST ON ARREAR DEBT

(1) Amounts on accounts, which remain unpaid after the due date, shall attract interest irrespective of the reason for non-payment.

(2) The following categories of arrear debt shall not attract interest on arrears:

(a) Indigent debt
(b) Closed accounts
(c) Deceased estates

(d) Insolvent estates

(e) Debtors under administration

(f) Debt under Debt Review

(3) No interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of installment thereof, provided the instalment is paid in full by the due date.

(4) Interest on arrear debt shall be calculated as stipulated in the National Credit Act No.34 of 2005 (NCA), for each month for which such payment remains unpaid shall be charged after thirty (30) days after the statement was delivered to the Customer.

(5) The Municipality will charge a "standard rate" in relation to interest on overdue debtors which is one percent higher than the rate of interest payable by the Municipality to its banker in respect of a debit balance.

7. ENQUIRIES AND APPEALS

(1) Any aggrieved person may address a grievance or query regarding charges for municipal rates and services to the Chief Financial Officer in writing or may visit any Customer Care office provided by the Municipality.

(2) The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution. The dispute must relate to specific charges raised on the account.

(3) The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account. A monthly payment equal to an average account must be paid by the due date pending finalization

of the enquiry. Such arrangement must not exceed ninety (90) days from the registration of the query by the customer.

(4) The Municipality will respond to all inquiries from Customers in writing within sixty (60) days from the lodging of the enquiry.

(5) Objections and Appeals on Property valuations do not stop Credit Control and Debt Collection Procedures and action.

8. DEBT COLLECTION

(1) The Chief Financial Officer is authorized to institute agreed upon debt collection mechanisms without exception and with the intention to proceed until the debt is collected.

(2) All rates and services accounts rendered by the Municipality shall be paid on or before the due date as indicated on the account.

(3) Amounts on accounts, which remain unpaid after the due date, shall attract interest, irrespective of the reason for non-payment.

(4) Amounts on accounts, which remain unpaid after the due date, will be subject to a fourteen (14) day notice period notification prior to the intended debt collection action that will be instituted.

(5) Debt collection action will be taken on the total amount outstanding on the account after the due date. The total amount outstanding includes property rates, refuse, sewerage, water, electricity, fire levy and sundry debtor charges, and includes handed over debt for which arrangements have not been entered into.

(6) The debt collection action to be taken will be as follows: -

(a) <u>Disconnection of electricity supply</u>

(i) The Municipality shall disconnect the electricity supply to a property if the account rendered by the Municipality is not paid by the due date as indicated on the account and in terms of the fourteen-day pre-termination notice referred to in section 8(4) above.

(ii) Credit electricity meters and prepayment electricity meters will be disconnected for the non-payment of consolidated municipal accounts.

(iii) Disconnection of electricity supply will be for the total amount outstanding on the account, including unpaid amounts handed over for collection to the panel of Collection Agents and not just for the electricity portion of the account.

(iv) Disconnection of electricity supply for the non-payment of an account will be during the 30 day period following the due date.

(v) Penalty fees will be charged to the account of the defaulting debtor.

(b) Block from the purchase of electricity

(i) The Municipality will block a Customer from the purchase of electricity on the prepayment electricity system if the account rendered by the Municipality is not paid by the due date as indicated on the monthly account.

(ii) The block from purchase of electricity will be for the total amount outstanding on the account, including unpaid amounts handed over for collection to the panel of

Collection Agents and not just for the electricity portion of the account.

(iii) The block from purchase of electricity for the non-payment of an account will be during the 30 day period following the due date as stipulated on the monthly account.

(iv) Non-Indigent Customers with arrears will be blocked on a block type that will require the Customer to pay in full the amount due to the Municipality before prepayment electricity can be purchased.

(v) Indigent Customers with arrears will be blocked on a block type on the prepayment system that will require the Customer to pay the current monthly account due before prepayment electricity can be purchased and with the purchase of electricity forty (40) % of the amount tendered to purchase electricity will be allocated to arrear debt. **The amount of the current monthly account due is the amount after the indigent subsidy has been deducted.**

(vi) Customers will be placed on a total block from the purchase of electricity for the following reasons and will only be permitted to purchase electricity after a visit to the Municipal offices by the Customer to attend to the reason for blocking: -

(a) When a Customer moved into a property and failed to apply for services from the Municipality and failed to pay the required security deposit.

(b) When the disconnection of electricity, blocked from the purchase of electricity and the restriction of water

flow to the property did not have the desired effect to persuade the Customer to pay the arrear debt.

(c) Restriction or disconnection of water flow

(i) The Municipality will restrict the water flow to a property for the following reasons and will only restore the water flow after a visit to the Municipal office by the Customer to attend to the reasons for the restriction of the water flow: -

(a) When the disconnection of electricity supply or blocked from the purchase of electricity on the prepayment system did not have the desired effect to persuade the Customer to pay the arrear debt.

(b) When the water consumption by indigent Customers is more than the 6kl free water allocation provided by the Municipality to indigent Customers where the account remains unpaid.

(ii) The Municipality will disconnect the water flow to a property under the following circumstances and will only restore the water flow after a visit to the Municipal office by the Customer to attend to the reasons for the disconnection of the water flow: -

(a) The water supply to a business with an unpaid account will be disconnected if the disconnection of electricity supply to the property or blocked from purchase of electricity from the prepayment electricity system did not have the desired effect to persuade the Customer to pay the arrear debt.

(b) When the Customer moved into a property and failed to apply for services from the Municipality and failed to pay the required security deposit.

(d) Handover of debt to Collection Agents for legal collection

(i) Collection Agents will commence with pre-legal action in the form of:

(a) Letters of Demand

(b) Telephone Calls

(c) Other electronic communication

(ii) The following types of debt will be handed over to Collection Agents: -

(a) Debt that is 120 days and older.

(b) Debt for which no payment arrangements were made.

(c) Debt that relates to non- indigent debtors living in RDP houses. The legal process will be proceeded with as far as sale of movable property.

(iii) The following types of debt will **not** be handed over to Collection Agents: -

(a) Debt of indigent debtors that are registered as indigent as at the date of handover, or debt where there is a pending indigent application, provided the pending status does not exceed three (3) months from date of application.

(b) Debt that is been paid off as per arrangement with the debtor.

(c) Debt that is under valid query in terms of section 102(2) of the Municipal Systems Act no 32 of 2000.

(d) Debt that is under administration or debt review.

(e) Debt of deceased indigent estates.

(iv) The process of legal collection includes (but is not limited to) the following: -

(a) Final demands for payment.

(b) Emolument attachment orders on debtor's salaries.

(c) Summons issued for debt to be paid.

(d) Default judgment to be obtained against the debtor.

(e) The attachment of moveable properties and sale in execution of moveable property

(f) The attachment of immoveable property and the sale of immoveable property.

(g) Only the Municipality will hand debt over to Collection Agents for legal collection and the same debtor will not be handed over to more than one Collection Agent irrespective of the period that the debt relates to.

(e) Withholding or offsetting grants-in-aid.

The Municipality provides annual grants-in-aid to Institutions on approval of application. If an institution is in arrears with its

services account, then the Municipality will withhold the grant-in-aid or the grant-in-aid will be off set against the arrear debt with the Municipality.

(f) Withholding or offsetting payment on contracts.

Institutions or individual persons, who are in contract with the Municipality to provide a service, and who are in arrears with their services account, will have payments to them withheld by the Municipality until the arrear debt with the Municipality is settled or the payment will be off set against the arrear debt with the Municipality.

(g) Section 118 of the Local Government: Municipal Systems Act No 32 of 2000.

a. The Municipality will issue a certificate required for the transfer of immovable property in terms of Section 118 of the Local Government: Municipal Systems Act No 32 of 2000, which is lodged with the Municipality in the prescribed manner, only when all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid. The Municipality will not accept letters of undertaking and will only release the clearance certificate once the charges contemplated in section 8(6)(d)(g)(a) have been fully paid, whether in cash or by irrevocable

bank guaranteed cheque, or an Attorney's Trust account cheque.

(i) Debt older than two years on the property irrespective of whether the owner of the property had accumulated the debt will also have to be paid before the transfer of the property by the owner.

(ii) If the owner refuses to pay the debt which is older than two years, then the Municipality will apply to a competent Court for an order in the following terms:

(a) In the case where there is already a judgment for the payment of the amount, an order that the judgment debt be paid out of the proceeds of the sale, before the mortgage debt is settled.

(b) In the case where there is no judgment debt, for an order staying transfer of the property pending the finalization of a civil action to be instituted against the person who is in law liable for the payment of the outstanding debt.

(c) The action contemplated in section 8(6)(g)(a)(ii)(b) and 8(6)(g)(a)(ii)(c) must be taken before the property is transferred as the statutory lien created by Section 118(3) of the Act only endures until the property has been transferred and in terms of Section 118(5) of the Act can the new owner of the property not be held liable for the debt that became due before a transfer of a property took place.

(h) Withholding approval of building plans.

Institutions or individual persons, who apply to the Municipality for the approval of a building plan, and who are in arrears with their services account, will have approval of the building plan withheld by the Municipality until the arrear debt with the Municipality is settled.

(i) Other debt collection methods

The debt collection methods mentioned in paragraph 8(6)(a) to 8(6)(h) above are not an exhaustive list of methods that can be applied to collect debt and any other methods that can be initiated, will be implemented with the consent of the Municipal Council, to collect debt.

(7) Debt Collection Cost

Any costs, which include collection costs, charges, disbursements and legal fees to any of the debt collection methods applied to collect the debt, will be charged to the account of the defaulting debtor. The "reconnection fee" charged is due and payable irrespective of whether the electricity and / or water supply was disconnected or not.

9. ARRANGEMENTS TO PAY ARREAR DEBT

(1) The Municipality will not permit arrangements for settlement of debt in instalments for debt in the current, 30 day, 60 day and 90 day ageing categories. Such charges must be paid up front.

(2) One arrangement to settle debt in instalments for debt in 120 days and older will be allowed.

(3) No payment extensions will be allowed on Current accounts due and payable by the due date.

(4) Once the debt is handed over to a Collection Agent, the defaulting debtor may enter into one (1) arrangement with the Collection Agent as stipulated in terms of section 9 of this by-law. However, the arrangement application will not apply to the current, 30 day, 60 day and 90 day ageing categories.

(5) The Customer, by signing the arrangement agreement to payoff arrear debt acknowledges the following: -

(a) That debt is owed to the Municipality.

(b) That current, 30 day, 60 day and 90 day ageing categories of debt has been settled.

(c) That on default to honour the arrangement agreement, interest on arrears will be charged on the amount due, electricity supply will be disconnected to the property of the Customer or the Customer will be blocked from the purchase of electricity on the prepayment system and/or the water supply to the property of the Customer will be restricted and legal proceedings will be instituted to collect the debt.

(d) That the Customer will be liable for all costs, which includes legal costs, incurred to collect the debt.

(e) Consents to default judgment in terms of section 57 of the Magistrates Court Act of 1944.

(6) Broken arrangement

In the event that an arrangement has been broken by an account holder, no further arrangements will be entertained and the full amount due on the account plus any penalties will become due and payable. The services will be suspended and where applicable legal action will be implemented.

(7) Arrangements by Indigent Customers

(a) Indigent Customers must have their credit electricity meters converted to prepayment electricity meters.

(b) Indigent Customers are required to pay their current monthly account, which is the amount after indigent subsidy has been deducted, every month on or before the due date.

(c) Indigent Customers with arrears will be blocked on a block type on the prepayment electricity system that will require the Customer to pay the current monthly account due before prepayment electricity can be purchased and with the purchase of electricity, 40% of the amount tendered to purchase electricity will be held back and be allocated to arrear debt. The amount of the current monthly account due is the amount after the indigent subsidy has been deducted.

(8) Arrangements by Residential Customers

(a) No arrangements or payment extensions for payment will be allowed for current, 30 day, 60 day and 90 day debt ageing categories.

(b) The current, 30 day, 60 day and 90 day debt must be paid up front.

(c) A once-off arrangement can be entered into by the customer to settle the 120 day and older debt in equal instalments up to twelve (12) months.

(d) Only written arrangements will be accepted and must be entered into by the account holder or proxy.

(9) Arrangements by Non-Residential Customers

(a) No arrangements or payment extensions for payment will be allowed for current, 30 day, 60 day and 90 day debt ageing categories.

(b) The current, 30 day, 60 day and 90 day debt must be paid up front.

(c) A once-off arrangement can be entered into by the customer to settle the 120 day and older debt in equal installments up to six (6) months.

(d) Only written arrangements will be accepted and must be entered into by the account holder or proxy.

(10) Debt Incentive Scheme

Customers who are in arrears with 120 days and older debt with their rates and service accounts may apply to the municipality for a debt settlement discount as and when the Municipality approves the implementation of such a scheme.

(11) Arrangements on partially collectable debt

(a) Partially collectable debt can be described as debt that cannot be collected in full through application of debt collection processes and that it is in the best interest of the Municipality to accept part payment of the debt in full and final settlement.

(b) All the debt collection processes must have been followed and if at the sale-in-execution of the property no interest is shown by prospective bidders to purchase the property, offers for the purchase of the property must be obtained and the relevant attorney must submit a report to the Municipal Council.

(c) The market value of the property must be obtained and a report must be submitted to the Municipal Council on the offer to purchase that was received.

(d) The Municipal Council must make a decision to accept the offer for full and final settlement of the debt and by accepting the offer the Municipal Council must also resolve to write off the remaining debt on the property as irrecoverable.

10. INDIGENT DEBTORS

(1) An account holder (Customer) may apply, for Indigent support as prescribed in the Indigent Support Policy of this Municipality.

(2) Debt of deceased indigent estates –

(a) Until the property is transferred from the deceased estate to the new owner or heir all the services from the account of the deceased owner as at the date of death will be transferred to the

account of the occupant, which must include the valuations of the property in order to charge the occupant for property rates.

(b) The occupant of the property must sign an agreement in which the occupant agrees to pay all the rates and service charges that are to be raised on the property that is occupied.

(c) The following circumstances must prevail to transfer the services to the account of the occupant: -

(i) The house must be a government funded RDP house.

(ii) The occupant of the house must be a registered indigent Customer with the Municipality and be receiving an indigent subsidy from the Municipality.

(iii) The Director responsible for Land Administration will, on approval of the "Affidavit: Deceased Estate" agreement, proceed with the transfer of the property from the deceased indigent estate to the name of the appointed registered Indigent heir of the property at the Municipality's cost.

(iv) Once the property has been transferred, the debt of the Deceased Indigent Estate will be submitted to Council for approval to write off.

11. MUNICIPAL STAFF AND COUNCILLORS – PAYMENT OF ARREARS

(1) Section 10 of schedule 2 of the Local Government: Municipal Systems Act, No 32 of 2000 provides the following: -

"A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than three (3) months,

and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

(2) Arrear debt relating to rates and service charges will be collected from staff and Councillors in terms of collection arrangements approved by the City Manager from time to time.

(3) The financial situation of each applicant will be assessed.

(4) If the staff member or Councillor cannot afford to repay the debt over six months, the debt be spread over twelve months or the repayment installment will not be greater than 50% of the staff member's nett salary. In each case, the size of the debt and the nett salary may be considered.

(5) Municipal staff and Councillors are not entitled to benefit from the Indigent Support subsidy whilst employed and if it is discovered that a staff member or Councillor has benefitted from the Indigent Support subsidy after the date of their employment with the Municipality, this will result in disciplinary action being taken against the relevant staff member or Councillor.

(6) No owner or tenant of a property may benefit from the Indigent support subsidy whilst a municipal staff member or Councillor is residing on the same property.

12. ADMINISTRATION ORDERS – PAYMENT OF ARREARS

(1) A person can apply for the administration of its estate in terms of section 74 of the Magistrates Court Act, 1944.

(2) On notification that the order had been granted, the Municipality will manage the debt that is part of the administration order separately to the current account.

(3) The debtor will be responsible for the payment of the current monthly account and if the debtor defaults on the payment of the account, debt collection action will be implemented.

13. WRITE OFF OF IRRECOVERABLE DEBT

(1) The objective to write off irrecoverable debt is to have a debt book that does not reflect irrecoverable debt.

(2) The Municipal Council's approval must be obtained to write off irrecoverable debt.

(3) In the submission to the Municipal Council to write off debt the Council must be provided with details of –

(a) The debt collection procedures implemented to recover the debt and the costs incurred as a result thereof;

(b) The reasons why the debt collection procedures were not successful and had to be abandoned;

(c) The debtors financial position, if known;

(d) Reasons why the debt or a portion thereof is regarded as being irrecoverable.

(4) Debt can be regarded as irrecoverable under the following circumstances: -

(a) Debt that was subjected to all the debt collection procedures provided for in this by-law and still was unsuccessful to collect the debt and where the debt collection process had to be abandoned.

(b) Debt of which the cost to collect debt has exceeded the debt amount.

(c) Debt of indigent debtors that cannot be collected after the implementation of the debt collection procedures applicable to indigent Customers provided for in this by-law.

(d) Small amount debt of which the cost to collect the debt is more than the debt amount.

(e) Debt of deceased estates –

(i) Claims must have been submitted to the estate of the deceased

(ii) The executor of the estate advised the Municipality in writing that there are no funds in the estate.

(f) Debt of debtors who have emigrated –

(i) Debt collection procedures must have been implemented.

(ii) The Municipality was informed by a reliable source that the debtor had emigrated.

(iii) The emigrating authorities had confirmed that the debtor had emigrated.

(g) Debt that has prescribed –

(i) Debt collection procedures must have been implemented.

(ii) Debt must be older than three years.

(iii) Debt must comply with the provisions of section 10 Chapter III of the Prescription Act No 68 of 1969.

(h) Debt of insolvent estates –

(i) Debt collection procedures must have been implemented.

(ii) Claims must have been submitted to the liquidators of the insolvent estate.

(iii) The liquidators of the insolvent estate must advise the Municipality in writing that there are no funds in the estate.

(iv) The Municipality received dividends on the amount owing and was advised that the estate had been finalized and there will be no further dividends forthcoming.

(5) The annual Revenue Budget will include an amount to provide for the amount to be written off.

14. DEBT IMPAIRMENT ALLOWANCE

(1) In terms of the relevant Generally Recognised Accounting Practise (GRAP) standards, the Municipality must determine a debt Impairment Allowance related to the debtors book.

(2) The objective of the debt impairment allowance is to make a realistic provision annually in the Revenue budget to cater for charges raised in terms of the annual budget that cannot be collected.

(3) The calculation of the debt impairment allowance will be based on an extract of the Municipality's debtors' book as at the last day of the financial year.

15. CERTIFICATES REQUIRED FOR TENDERS

(1) A person or an institution reacting to a tender published by the Municipality or wishing to enter into a contract to either provide services or goods to the Municipality must produce a certificate, on the

prescribed form, which states that regular payment of rates and services accounts are maintained and that the account are currently up to date.

(2) A person who fails to provide such a certificate shall be disqualified from the tendering process.

(3) When inviting tenders for the provision of services or delivery of goods, potential contractors / service providers / suppliers (hereinafter referred to as tenderer) must declare that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid.

(4) The Municipality will, at its sole discretion check whether all the Municipal accounts are up to date. A copy of the consolidated bill and rates account must be attached to all tender documents.

(5) Where a contractors place of business or business interests are outside the jurisdiction of the Municipality, a Debt Clearance Certificate from the relevant Municipality must be produced.

(6) When a tender is awarded, the Municipal debts of the tenderer must be paid in full before the contract with the Municipality is concluded.

(7) Where payments are due to a tenderer in respect of goods or services provided to the Municipality, any arrear amount owing to the Municipality may be set off against such payments.

(8) This by-law applies to quotations, public tenders and tenders in terms of the Supply Chain Management policy.

16. THEFT AND FRAUD

(1) The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities.

(2) The Municipal Council may approve specific penalties and distinguish between cases of vandalism and theft.

(3) Subsequent acts of tampering may lead to a refusal to supply certain services for determined periods.

17. REPORTING AND PERFORMANCE MANAGEMENT

(1) The Chief Financial Officer shall report monthly to the City Manager in a suitable format to enable the City Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c).

(2) This report shall contain particulars on cash collection statistics, showing high-level debt recovery information, where available (such as numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.

(3) If in the opinion of the Chief Financial Officer, the Municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by the Municipal Council, the Chief Financial Officer will report this with motivation to the City Manager who will, if in agreement with the Chief Financial Officer, immediately move

for a revision of the budget according to realistically realizable income levels.

(4) The Executive Mayor as Supervisory Authority shall, at intervals of three (3) months, submit a report to the Council as contemplated in section 99(c) of the Systems Act.

18. INCOME COLLECTION TARGET

Income collection targets will be set by the Chief Financial Officer to achieve the optimum debt collection ratio i.e. receipt / billing, that will satisfy the Municipality's IDP objectives.

19. APPLICATION, IMPLEMENTATION AND REVIEW OF THE BY-LAW

19.1 The Municipal Council reserves the right to differentiate between different categories of Customers, debtors, services or service standards when applying this by-law. The Municipal Council will on application of the credit control by-law avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution. No debtor may be exempted from credit control action as a sign of goodwill for any period of time as this is in contravention of the actions applied in this by-law and the Credit Control principles contained in the Municipal Systems Act No. 32 of 2000

19.2 The Debt Management Department is the custodian of the by-law and responsible for implementation and review of the by-law.

19.3 In terms of section 17(1)(e) of the Municipal Finance Management Act no. 56 of 2003, this by-law must be reviewed on an annual basis and

the reviewed by-law must be tabled to the Municipal Council for approval as part of the budget process.

12. COMPETENCE AND CAPACITY TO IMPLEMENT THE BY-LAW

1.1 The by-law should be available and communicated to all staff
1.2 All staff must be aware of the prescriptions of the by-law
1.3 All staff must be aware of the procedures contained in this by-law
1.4 Supervisors/Managers must ensure compliance with this by-law

BUFFALO CITY METROPOLITAN MUNICIPALITY

REVENUE MANAGEMENT UNIT

BUFFALO CITY
MUNICIPALITY

PROPERTY RATES POLICY 2014 / 2015

In line with the

Municipal Property Rates Act, (Act No 6 of 2004)

TABLE OF CONTENTS

1. POLICY TITLE

2. PREAMBLE

3. LEGAL MANDATES AND REGULATORY FRAMEWORK

4. PURPOSE OF THE POLICY

5. STRATEGIC OBJECTIVES

6. GUIDING PRINCIPLES

7. DEFINITIONS

8. SCOPE OR APPLICABILITY OF THE POLICY

9. GOVERNANCE ISSUES/AUTHORITY/DELEGATIONS

10. PROCEDURES

11. COMPETENCE AND CAPACITY TO IMPLEMENT THE POLICY

12. LIABILITY FOR AND RECOVERY OF RATES

13. SPECIAL RATING AREA

14. CLEARANCE CERTIFICATES

15. POLICY REVIEW

1. POLICY TITLE

Draft Property Rates Policy

2. PREAMBLE

The Municipal Property Rates Act, (Act No. 6 of 2004) hereafter referred to as the MPRA, requires municipalities to develop and adopt Rates Policies consistent with the Act on the levying of rates on ratable property in the municipality.

Income derived from property rates is a major source of general municipal revenue which is used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets. This revenue is not linked to a specific municipal service or the erection of infrastructure related to that municipal service.

3. LEGISLATIVE FRAMEWORK

In terms of Section 229 of the Constitution of the Republic of South Africa, (Act No. 108 of 1996), a municipality may impose rates on property.

In terms of Section 4(1) (c) of the Municipal Systems Act, (Act No. 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

In terms of Section 2(1) of the MPRA, (Act no 6 of 2004), a metropolitan or local municipality may levy a rate on property in its area of jurisdiction in accordance with the provisions of the MPRA.

In terms of Section 8(1) of the MPRA, Buffalo City Metropolitan Municipality will levy rates on the use of the property.

This Property Rates Policy ('the Policy') only applies to the rating of property valued in accordance with the Act and the applicable regulations.

4. PURPOSE OF THE POLICY

The purpose of this policy is to determine the categories of property in respect of which rates may be levied and categories of property owners who qualify for exemptions, rebates or reduction. This policy also gives guidance on the processing of the exemptions, rebates and reduction to ensure a fair and a transparent system.

5. STRATEGIC OBJECTIVES

To ensure that Buffalo City Metropolitan Municipality remains financially viable by regularly conducting general and supplementary valuations, ensuring correct categorization of properties and levying assessment rates accordingly.

6. GUIDING PRINCIPLES

In formulating this Policy for Buffalo City Metropolitan Municipality, the following guiding principles will be taken into account:

Equity, i.e. that all categories of property and categories of owners be treated equitably in relation to each other.

Affordability, i.e. that the rates policy should take into account issues of affordability across categories of owners.

Poverty Alleviation, i.e. that the rates policy should facilitate poverty alleviation within the context of the mechanisms at its disposal.

Social and Economic Development, i.e. that the rates policy should within the context of the mechanisms at its disposal seek to enhance social and economic development.

Financial Sustainability and Cost Efficiency, i.e. that the rates policy should be cost efficient and should enhance the financial sustainability of the municipality.

Encouragement of Development of Property, i.e. that the rates policy should utilize the mechanism at its disposal to encourage the development of property in line with the socio-economic development needs and goals of the municipality.

Community Participation, i.e. that the rates policy should be reflective of issues and options expressed during public engagements.

7. DEFINITIONS

"Act" means the Local Government: Property Rates Act, (Act No 6 of 2004) and includes the regulations (if any) made in terms of Section 83 of the Act;

"**Agent**", in relation to the owner of a property, means a person appointed by the owner of the property-

(a) To receive rental or other payments in respect of the property on behalf of the owner; or

(b) To make payments in respect of the property on behalf of the owner.

"**Agricultural purpose**" in relation to the use of a property, excludes the use (of a property for the purpose of eco-tourism or for the trading in or hunting of game);

"**Annually**" means once every financial year;

"Bona fide farmer," means a property owner who can prove that his / her tax status is that of a farmer; who can produce an Annual Workmen's Compensation Return in respect of his / her farming activities; and as the land owner must prove that she/he has complied with the National Veld and Forest Fire Act 101 of 1998 and legislation governing the control of alien invasive species.

"Category"

(a) in relation to property, means a category of properties determined in terms of Section 8; and

(b) in relation to owners of properties, means a category of owners determined in terms of section 15(2).

"Chief Financial Officer" means the Chief Financial Officer as defined in the Municipal Finance Management Act;

"Council" means the Council of the Buffalo City Metropolitan Municipality;

"Date of Valuation" means the date determined by a municipality in terms of Section 31(1);

"District Management Area" means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

"District Municipality" means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, as described in section 155(1) of the Constitution as a category C municipality;

"Dominant Use" in relation to a property means where a particular use is the largest proportion as compared to other uses on that property;

"Due Date" means the date specified as such on a municipal account dispatched from the offices of the responsible officer for any rates payable and which is the last day allowed for the payment of such rates;

"Early Childhood Development Centre" means Early Childhood Development Centers (ECDC's) functioning under the auspices of the National and/or Provincial Department of Education;

"East London Industrial Development Zone property owner" means a registered owner of property within the IDZ and includes IDZ itself, in respect of properties which have been developed and remain registered in the name of the ELIDZ.

"Education Institutions" as defined in the Schools Act (Act No 84 of 1996) including Schools and Independent Schools, Further Education and Training (FET) Colleges, as defined in the FET College Act, (Act No 16 of 2006) and Early Childhood Development Centers (ECD's) functioning under the auspices of the National and or Provincial Department of Education;

"Effective Date"-

(a) in relation to a Valuation Roll, means the date on which the Valuation Roll takes effect in terms of section 32(1);

(b) In relation to a Supplementary Valuation Roll, means the date in terms of Section 78(4) (a) to (g) of the MPRA

"Exclusion", in relation to a municipality's rating power, means a restriction of that power as provided for in section 17;

"Exemption", in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

"Financial Year" means the period starting from 1 July in a year to 30 June the next year;

"Formally Protected Areas" means a formally protected area as defined in the National Environmental Management: Protected Areas Act, (Act No 57 of 2003) and the National Environmental Management: Biodiversity Act, (Act No 10 of 2004);

"Income Tax Act" means the Income Tax Act, 1962 (Act No. 58 of 1962);

"Industrial Development Zone" means an Industrial Development Zone (IDZ) that is a purpose-built industrial estate, linked to an international port or airport, which have been specifically designated for new investment by export oriented industries and related services by the Department of Trade and Industry;

"Land Reform Beneficiary", in relation to a property, means a person who –

(a) acquired the property through -

  (i) the Provision of Land and Assistance Act No. 126 of 1993; or

  (ii) the Restitution of Land Rights Act No. 22 of 1994;

(b) holds the property subject to the Communal Property Associations Act No 28 of 1996;

(c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

"Land Tenure Right" means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

"Local Community", in relation to a municipality:

(a) means that body of persons comprising –

  (i) the residents of the municipality;

  (ii) the ratepayers of the municipality;

(iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and

(iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) includes, more specifically, the poor and other disadvantaged sections of such body of persons

"Local Municipality" means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

"Market Value", in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

"MEC for Local Government" means the Member of the Executive Council of a province who is responsible for local government in that province;

"Metropolitan Municipality" means a municipality that has exclusive executive and legislative authority in its area, and which is described in section 155 (1) of the Constitution as a category A municipality;

"Minister" means the Cabinet Member responsible for local government;

"Multiple Use", in relation to a property, means use of a property for more than one purpose;

"Municipal Council" or **"Council"** means a municipal council referred to in section 18 of the Municipal Structures Act;

"Municipal Finance Management Act" means the Municipal Finance Management Act, MFMA (Act No. 56 of 2003);

"Municipal Property Rates Act" means the Local Government: Municipal Property Rates Act, MPRA (Act 6 of 2004)

"Municipality"-

(a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and

(b) as a geographical area, means a municipal area demarcated in terms of the Municipal Demarcation Act No. 27 1998.

"Municipal Manager" means a person appointed in terms of section 82 of the Municipal Structures Act;

"Municipal Owned Property" refers to property that is registered in the name of the Municipality ***(INCLUDING PORTIONS OF REGISTERED ERVEN)*** and property vested by usage in the name of the Municipality whether it is used by the Municipality itself or made available to other entities without cost or in terms of a rental agreement. Municipal owned properties are used by the municipality in the execution of its Constitutional obligations, excluding properties used for trading services.

"Municipal Structures Act" means the Local Government: Municipal Structures Act, (Act No 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal System Act, (Act No. 32 of 2000);

"Municipal Valuer" or "Valuer of a Municipality" means a person designated as a municipal valuer in terms of section 33(1) of the MPRA;

"Newly Rateable Property" means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-

(a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and

(b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

"Occupier", in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

"Organ of State" means an organ of state as defined in section 239 of the Constitution;

"Owner"-

(a) in relation to a property referred to in paragraph (a) of the definition of "property", means a person in whose name ownership of the property is registered;

(b) in relation to a right referred to in paragraph (b) of the definition of "property", means a person in whose name the right is registered;

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled", provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

(i) a trustee, in the case of a property in a trust excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or

a judicial manager, in the case of a property in the estate of a person under judicial management;

(iv) a curator, in the case of a property in the estate of a person under curatorship;

(v) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vi) a lessee, in the case of a property that is registered in the name of a municipality ***including portions thereof***, and is leased by it; or

(vii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer.

"Permitted Use", in relation to a property, means the limited purposes for which the property may be used in terms of –

(a) any restrictions imposed by –

a condition of title;
a provision of a town planning or land use scheme; or
any legislation applicable to any specific property or properties.

(b) any alleviation of any such restrictions;

"Person" includes an organ of state;

"Prescribe" means prescribed by regulation in terms of section 83;

"Property" means -

(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
(d) public service infrastructure;

"Property Register" means a register of properties referred to in section 23 of the MPRA;

"Protected Area" means an area that is or has to be listed in the register referred to in section 10 of the Protected Area Act;

"Protected Areas Act" means the National Environmental Management: Protected Areas Act, 2003;

"Public Benefit Organizations" means organisations registered as PBO in terms of section 30 of the Income Tax Act. The MPRA Ratio regulations apply only to those PBOs who provide the type of services outlined in items 1, 2 & 3 of Part 1 of the Ninth Schedule of the Act, i.e. Welfare and Humanitarian Services, Health Care Services and Educational and Development Services.

"Publicly controlled" means owned by or otherwise under the control of an organ of state, including –

(a) A public entity listed in the Public Finance Management Act No. 1 of 1999.

(b) a municipality; or

(c) a municipal entity as defined in the Municipal Systems Act.

"Public Service Infrastructure" PSI means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;

(g) runways or aprons at national or provincial airports;

(h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

"Rate" means a municipal rate on property envisaged in section 229(1) (a) of the Constitution;

"Rateable property" means property on which a municipality may in terms of section 2 levy a rate, excluding property excluded from the levying of rates in terms of section 17;

"Rebate", in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

"Reduction", in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

"Register"-

(a) means to record in a register in terms of-
  (i) the Deeds Registries Act 47 of 1937; or
  (ii) the Mining Titles Registration Act 16 of 1967; and

(b) includes any other formal act in terms of any other legislation to record-
  (i) a right to use land for or in connection with mining purposes; or
  (ii) a land tenure right;

"Residential property" means a property included in a valuation roll in terms of section 48 (2)(b) as residential; and ***includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property.*** *(Any such groupings shall be regarded as one residential property for rate rebate or valuation reduction purposes and clearance application purposes*) and/or

A unit registered in terms of the Sectional Titles Act, 95 of 1986, included in a valuation roll in terms of Section 48(2) (b) as residential, including any unit in the same sectional scheme registered in the name of the same owner, which is used together with the residential unit as if it were one property, for example a garage or servants quarters. (Any such grouping shall be regarded as one residential unit for rate rebate and valuation reduction purposes and clearance application purposes.

"Rural Communal Settlements" means the residual portion of rural communal land excluding identifiable and rateable entities within the property, including State Trust Land and land reform beneficiaries as defined in the Act.

"Rural Communal Land" which includes State Trust Land as defined in the Communal Land Rights Act, the Provision of Land Assistance Act and the Communal Property Association Act;

"Sectional Titles Act" means the Sectional Titles Act, (Act No. 95 of 1986);

"Sectional Title Scheme" means a scheme defined in section 1 of the Sectional Titles Act;

"Sectional Title Unit" means a unit defined in section **1** of **the** Sectional Titles Act;

"Senior citizen", is a property owner who is sixty (60) years or older, who is the registered owner of the primary property for which relief is sought, resides permanently on the property, and whose total monthly income (including the income of the spouse of the owner) does not exceed (R10,500).

"Specified Public Benefit Activity" means an activity listed in item 1 (welfare), 5 (humanitarian), 2 (health care), and 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

"State Trust Land" means land owned by the state-

(a) In trust for persons communally inhabiting the land in terms of a traditional
(b) Over which land tenure rights were registered or granted; or
(c) Which is earmarked for disposal in terms of the Restitution of Land Rights

"this Act" includes regulations made in terms of section 83(2). In this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

"Vacant Land" means land not in use and where no immovable improvements have been erected.

8. SCOPE OR APPLICATION OF THE POLICY

8.1 IMPOSITION OF RATES

Rates are levied in accordance with Section 11 of the MPRA as an amount in the Rand based on the market value of the property as reflected in the municipality's General Valuation (GV) and any Supplementary Valuation (SV) roll.

8.2 CATEGORIES OF PROPERTY

In terms of the provisions of section 8 of the MPRA, Buffalo City Metropolitan Municipality intends to levy different rates for different categories of property, based on the use of the property concerned. **The following categories of property are recognized:**

- Residential Properties
- Business/Commercial Properties (NB: including properties used for Game Farming and / or Eco-tourism)
- Industrial Properties
- Agricultural Properties
- Educational Institutions
- Public service infrastructure
- Properties owned by Public Benefit Organisations
- Municipal Properties
- Vacant Land
- Specialised Properties
- Rural Communal Land

8.3 RATES RELIEF MEASURES

The municipality may grant relief measures in terms of Section 15 of the MPRA, to some categories of property and categories of property owners. Any relief measures granted shall be by way of exemption, rebate or reduction only. No relief shall be granted to any category of owner or any owners of property on an individual basis.

When granting exemptions, rebates or reductions in respect of **categories of property owners,** such categories will include the following:

- Residential Properties
- Agricultural Properties
- Public Service Infrastructure
- Municipal Properties
- Senior Citizens and Disabled Persons
- Public Benefit Organisations
- Duly registered Public Benefit Organizations
- Properties of owners situated within an area affected by a disaster within the meaning of the Disaster Management Act, No 57 of 2002.
- Newly developed commercial/industrial properties.
- East London Industrial Development Zone Property owners

8.3.1 RESIDENTIAL PROPERTIES

The municipality will not levy a rate on the first R15, 000 of the market value of the property assigned in the valuation roll to a residential category, as set out in terms of Section 17(1) (h) of the MPRA. ***(No Application required)***

8.3.2 AGRICULTURAL PROPERTIES

Agricultural property means a farm or smallholding that is used for gain for the purpose of farming and forestry, e.g. rearing of livestock, planting and gathering of crops, but excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.

The rate levied on all properties categorized as agricultural will be as prescribed in the MPRA Rate Ratio Regulations, at 25% of the residential rate. ***(No Application required)***

8.3.3 PUBLIC SERVICE INFRASTRUCTURE

The first 30% of the market value of public service infrastructure, as defined in the MPRA and Section 9 of this policy, will not be rated as envisaged in Section (17)(1)(a) of the MPRA. ***(No Application required)***

8.3.4 MUNICIPAL PROPERTIES

8.3.4.1 The following types of property owned by or vested in the Municipality are **not rateable**: ***(No Application required)***

(i) Public service infrastructure owned by the Municipality including Public service infrastructure vested in the Municipality by virtue of the provisions of Section 63 of the Local Government Ordinance 17 of 1939, or any other similar provision;

(ii) Refuse tip sites;

(iii) Municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria;

(iv) Property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space;

(v) Property used for cultural purposes, sporting and recreational facilities ***excluding*** leased properties or portions thereof.

8.3.4.2 MUNICIPAL PROPERTY: RATEABLE

(i) A lessee, in the case of a property registered in the name of the municipality, or an area or portion thereof, will for the purposes of the MPRA, be regarded as the owner of that property or leased portion.

(ii) Council properties or potions thereof, leased to third parties will be rated according to the use of the property or portion thereof, subject to the provisions set out in the lease agreement. The lessee, who will be deemed to be the owner, will be liable for the payment of rates.

(iii) Where the municipality sold a property and of which possession was given to the buyer pending registration of ownership in the name of the buyer, will be deemed to be the owner and will be liable for the payment of rates.

8.3.5 SENIOR CITEZENS AND DISABLED PERSONS

In order to qualify for a rebate, a retired or disable property owner must meet the following requirements:

(i) be the owner of a property categorized as residential

(ii) occupy the property as his/her primary residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse and/or minor children must occupy the property.

(iii) The *retired person* must be at least 60 years of age on 1 July of the financial year concerned

(iv) If the *retired person* turns 60 during the financial year, the rebate will be granted on a pro rata basis from the date on which the applicant turns 60.

(v) *Disabled persons* must be in receipt of a disability grant/pension and submit proof e.g. letter from SASSA.

(vi) Must be in receipt of gross monthly income **(excluding medical contributions)** not exceeding R10,500.00 from all sources including income of spouse.

(vii) Indigent consumers who are senior citizens may also apply for this rebate.

The percentage rebate granted to the different gross income levels will be as set out in the table below:

GROSS MONTHLY INCOME		REBATE
RAND		%
0	3000	100
3001	4500	85
4501	6000	70
6001	7500	55
7501	9000	40
9001	10500	25

8.3.6 PUBLIC BENEFIT ORGANISATIONS (PBO) and NON PROFIT ORGANISATIONS (NPO)

In respect of PBO's and NPO's the following categories of properties owned by them, may apply for a rebate on rates:

- Privately owned properties used exclusively as a home catering for persons with disabilities, a hospital, clinic, mental institution, frail care centre, orphanage, non-profit retirement schemes, old age homes or any other benevolent institutions,

provided that any profits from the use of such properties are used entirely for the benefit of the institution.

- Properties owned and/or used by NPOs or PBOs solely for charitable work may qualify for a rebate.
- Properties registered in the name of private persons or organisations used exclusively for cemeteries and crematoriums.
- Properties declared in terms of the Cultural Institutions Act, 29 of 1969 or the Cultural Institutions Act 66, of 1989.
- Museums, libraries, art galleries and botanical gardens registered in the name of private persons and open to the public
- Properties registered in the name of a trustee or trustee of organisations defined in the Military Veterans Act 18 of 2011, or a similar organisation maintained for the welfare of war veterans and their families.
- Properties owned and/or used by youth organisations for the promotion and development of the youth, e.g. boy scouts and girl guides
- Properties owned or used by organisations, of which the exclusive aim is to protect birds, reptiles and other animals on a not for gain basis.
- Properties declared as National. Provincial and Local Heritage sites and Historical monuments
- Sporting bodies

8.3.6.1 Religious Organisations

In terms of Section 17(1) (i) of the MPRA, a municipality may not levy a rate on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

A property registered in a name other than that of a religious organisation may be regarded as a property of a religious organisation if the property is used primarily as a place of public worship.

8.3.6.2. MPRA Rate Ratio Regulation

Any property that meets the PBO criteria as determined by the MPRA Rate Ratio Regulations but does not qualify for the rebate in terms of this policy, will be rated at 25% of the residential cent-in-the-rand.

8.3.7 Properties of owners situated within an area affected by a disaster within the meaning of the Disaster Management Act, No 57 of 2002.

Property owners within any category of property may apply for a reduction in the property value for rating purposes, where the value of the property has been adversely affected by a natural disaster, as defined in terms of the Disaster Management Act No. 57 of 2002. The property shall be valued as at the date of the natural disaster.

8.3.8 Newly developed commercial/Industrial properties

Such properties must meet the following requirements:

- The property must be categorized as commercial/industrial in the valuation roll.
- There must be developed.
- The value of the development must be R50, 000,000.00 (Fifty Million Rand) or above. (This requirement does not apply to East London Industrial Development zone property owners)
- The rebate will be phased in over a period of 5 years, from the effective date of the valuation of the improvements in the municipality's valuation roll as follows:

  Year 1 – 50%
  Year 2 – 40%
  Year 3 – 30%
  Year 4 – 20%
  Year 5 – 10%, thereafter, full rates will be payable.

8.4 GENERAL REBATES

8.4.1 All properties categorized as Public Service Infrastructure, with a market value of R50, 000 or less will not be rated.

8.4.2 The municipality will also give a **differential rebate** of up to 75% to areas, where some or all of the following services are not offered by the municipality. The percentage rebate per service not available will be as indicated in the table below:

SERVICES	% REBATE
Water	22.50
Electricity	15.00
Sewerage	15.00
Refuse	7.50
Constructed Roads	15.00
TOTAL REBATE	**75.00**

This rebate ***will not*** be granted on an ***individual*** basis or to property owners who ***choose not*** to use municipal services provided.

9. GOVERNANCE ISSUES/AUTHORITY/DELEGATIONS

In terms of Section (3) (1) of the MPRA, the Council of the municipality must adopt a policy consistent with this Act on the levying of rates on rateable property in the municipality.

Any disputes which may arise on the application of this policy must be submitted in writing to the Chief Financial Officer, who will decide upon the dispute and give reasons in writing.

The Chief Financial Officer will be responsible for the interpretation and implementation of this policy, and therefore, will be the Appeal Authority.

10. PROCEDURE FOR GRANTING EXEMPTIONS, REBATES AND REDUCTIONS

Applications for exemptions, reductions and rebates will only be considered after an application on the prescribed form has been lodged with the Chief Financial Officer.

Applications for a reduction in the value of a property must be made within 30 days of the occurrence of the event giving rise to the reduction of the value of the property relied upon.

All other applications must be submitted **annually.**

Applications must reach the Municipality before 31 May preceding the start of the financial year for which relief is sought, failing which the exemption or rebate will lapse and will only be re-instated ***subject to the availability of funds*** with effect from the approval date, whether the property qualified for the relief before such approval.

Senior Citizens must submit proof of income in the form of pension statements, SASSA cards and/or 3 months bank statements of both the registered owner and spouse. Copies of Identity Documents must be attached.

Applications for rebates by PBO'S AND NPO'S must be accompanied by a letter from the South African Revenue Service confirming that the organisation qualifies for exemption in terms of the Income Tax Act.

All applications must be made under oath.

Properties for which application for a rebate is made must be used exclusively for the purpose that forms the basis for the application for the rebate.

The onus rests on the applicant to ensure that the application form and all supporting documents are lodged timeously, and that the property concerned qualifies for the exemption, rebate, or reduction.

An application for an exemption, reduction or rebate must authorize the Municipality to inspect the property at any reasonable time during the financial year to confirm compliance with the conditions of the exemption or rebate. Where access is denied, the exemption or rebate may be withheld, or withdrawn, if already effective

All applications for exemptions, rebates or reductions will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable payment arrangement in terms of the Municipality's Credit Control and Debt Collection Policy. Should there be a default on the arrangement; the relief measure granted will be reversed.

The Municipality reserves the right to refuse an exemption, reduction or rebate if the details supplied in the application are incomplete, incorrect, or false.

11. COMPETENCE AND CAPACITY TO IMPLEMENT

- All staff must be aware of the provisions of this policy
- All staff must be aware of the procedures contained in this policy
- Supervisors/Managers/Directors must ensure compliance with this policy.

12. LIABILITY FOR AND RECOVERY OF RATES

a) The registered or deemed owner of a property is liable for the payment of rates.

b) In the case of joint owners the owners are jointly and severely liable for the payment of rates.

c) *The valuation of any adjoining/contiguous properties registered in the name of the same owner and* ***used together as if it were one property,*** *will be grouped and rates will be levied on one master account.*

d) In the case of sectional title schemes the owner of the sectional title unit is liable for the payment of rates.

e) A municipality may recover rates on a monthly or annual basis.

f) Accounts for rates will specify the amount due for rates, the date on which the amount is payable, how the amount was calculated, and the market value of the property.

g) If an amount due for rates is unpaid by the owner the municipality may, in terms of the provisions of section 28 & 29 of the MPRA, recover that amount due from a tenant or occupier, or agent.

h) An incomplete or a property under construction may be valued partially or fully if an Occupation Certificate is awarded by the municipality for any part or portion thereof and the valuer is satisfied that a portion thereof is habitable.

13. SPECIAL RATING AREAS

The municipality may by resolution of the Council, determine special rating areas in terms of Section 22 of the MPRA.

14. CLEARANCE CERTIFICATES

Where the Municipality receives an application for a clearance certificate, rates will be adjusted prior to the implementation of an SV under the following circumstances:

- Where a property has been valued by a Municipal Valuer in terms of Sections 78(1)(b),(c),(d) and (g) – in pursuance of an SV, BUT such valuation has not been authorized in the financial (billing) system
- Where a property was subdivided or consolidated after the last general valuation and the owner wishes to sell the consolidated erf or one or more of the subdivided erven, but the Municipality has not yet valued or included such properties in an SV,

the Municipal Valuer shall conduct a valuation of the relevant properties and include them in an SV.

Such valuation shall be authorized on the financial (billing) system and rates levied on the property in accordance to such valuation with effect from the date of the occurrence of the event, which caused an SV to be conducted.

Such adjusted rates amount, plus any estimated amounts payable in terms of Section 118 of the Municipal[al Systems Act and/or Section 89 of the Insolvency Act 24 of 1936, shall be deemed to be due and must be paid in full prior to the issuing of a clearance certificate in order to facilitate the transfer of property.

Any objections to such valuations may only be lodged once such an SV is made public in terms of Section 49 of the MPRA.

All payments will be allocated to the seller's municipal account and all refunds will be made to such a seller, unless advised otherwise by the Conveyancing Attorney.

15. ANNUAL REVIEW OF RATES POLICY

In terms of Section 5 of the MPRA, a municipal council must annually review, and if necessary, amend its rates policy.

A municipality must adopt by-laws to give effect to the implementation of its rates policy, in terms of Section 6 of the MPRA.

The effective date of implementation of this policy is **1 July 2014.**

APPROVED BY BUFFALO CITY METROPOLITAN COUNCIL ON 25 JUNE 2014.

COUNCIL MINUTE NUMBER: BCMC 224/14

No. 68

BUFFALO CITY METROPOLITAN MUNICIPALITY

PROPERTY RATES BY LAW

BUFFALO MUNICIPALITY METROPOLITAN MUNICIPALITY: RATES BY-LAW

1. PREAMBLE

1.1 Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.

1.2 In terms of section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rate-able property in the municipality.

1.3 In terms of section 6(1) of the Property Rates Act, a municipality must adopt by-laws to give effect to the implementation of its rates policy.

1.4 In terms of section 6(2) of the Property Rates Act, by-laws adopted in terms of section 6(2) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.

2. INTERPRETATION

In this By-Law, the English text prevails in the event of any conflict with the Afrikaans or Xhosa texts, and, unless the context otherwise indicates—

"Municipality' means the Buffalo City Metropolitan Municipality's

Rates policy" means a rates policy adopted by the Municipality in terms of this By-Law;"

Constitution" means the Constitution of the Republic of South Africa;" Credit Control and Debt Collection By-Law and Policy" means the Municipality's Credit Control and Debt Collection By-Law and Policy as required by sections 96(b), 97 and 98 of the Systems Act;

"Property Rates Act" means the Local Government: Municipal Property Rates Act, 6 of 2004;

Rate" or "rates" means a municipal rate on property as envisaged in section 229 of the Constitution.

3. ADOPTION AND IMPLEMENTATION OF RATES POLICY

3.1 The Municipality shall adopt and implement a rates policy consistent with the Property Rates Act on the levying of rates on rateable property in the municipality.

3.2 The Municipality shall not be entitled to levy rates other than in terms of a valid rates policy.

4. CONTENTS OF RATES POLICY

The Municipality's rates policy shall, inter alia:

4.1 Apply to all rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget;

4.2 Comply with the requirements for:— (a) the adoption and contents of a

rates policy specified in section 3 of the Property Rates Act;(b)the process of community participation specified in section 4 of the Property Rates Act;(c)the annual review of a rates policy specified in section 5 of the Property Rates Act;

4.3 specify any further principles, criteria and implementation measures consistent with the Property Rates Act for the levying of rates which the Municipality may wish to adopt;

4.4 include such further enforcement mechanisms, if any, as the Municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and Policy.

4. ENFORCEMENT OF RATES POLICY

The Municipality's rates policy shall be enforced through the Credit Control and Debt Collection By-Law and Policy and any further enforcement mechanisms stipulated in the Municipality's rates policy.

6. OPERATIVE DATE

This By-Law shall take effect on 1 July 2014.

A FANI **(9921)**

CITY MANAGER

.....

PROVINCIAL GAZETTE: **ONE INSERTION:** **28 JULY 2014**

BUFFALO CITY METROPOLITAN MUNICIPALITY

POLICY: INDIGENT SUPPORT

APPROVED: BCMC 147/14

Table of Contents

1. Policy Title....3
2. Relevant Legislation applicable to this Policy....3
3. Definitions....3
4. Main Purpose....6
5. Scope of the Policy....6
6. Strategic Objective....8
7. Guidelines relating to free basic services which complement this policy....8
8. Policy Objectives....8
9. Key Principles....9
10. Targeting and Qualification Criteria....10
11 Service levels....11
12 Indigent Households in Retirement Centres....13
13 Process Management....14
14 Monitoring and reporting....16
15 Appeals....16
16 Capacity building....16
ANNEXURE "A"....17

1. Policy Title

Indigent Support Policy.

2. Relevant Legislation applicable to this Policy

The policy is designed and implemented within the framework of the following legislation:

2.1. The Constitution of the Republic of South Africa, 1996, Act 108 of 1996, in particular sections 152,153 and 195.

2.2. Municipal Systems Act No. 32 of 2000, in particular sections 4, 5 and 6.

2.3. The Municipal Finance Management Act 2003 (Act 56 of 2003).

2.4. The Promotion of Administrative Justice Act 2000 (Act 3 of 2000).

2.5. The Promotion of Access to Information Act, 2000 (Act 2 of 2000).

2.6. The Municipal Property Rates Act, 2004 (Act 6 of 2004).

2.7. Conditions of National Equitable Share Grant ("S" Grant) earmarked for service delivery to the poor.

It is consistent with the terms of the Buffalo City Metropolitan Municipality Credit Control and Debt Collection Policy, 2007.

3. Definitions

3.1 **Basic energy service:** The provision of sufficient energy as determined by Council, to allow for lighting, access to media (TV, radio) and cooking. This may include electricity and other forms of energy such as paraffin.

3.2 **Basic refuse removal service:** The disposal of refuse on a property where housing densities permit this or the removal of refuse from each property located within the municipality and disposal of this waste in an adequate landfill site, either option undertaken in such a way that the health of the community is maintained and no diseases are propagated, or pests allowed to breed due to refuse which is not properly removed and disposed of.

3.3 **Basic sanitation service:** The provision of a basic sanitation facility which is easily accessible to a household, the sustainable operation of the facility, including the safe removal of human waste and wastewater from the premises where appropriate and necessary, and the communication of good sanitation, hygiene and related practices.

3.4 **Basic water supply service:** The provision of a basic water supply facility, the sustainable operation of the facility for at least 350 days per year and not interrupted for more than 48 consecutive hours per incident, and the communication of good water use, hygiene and related practices.

3.5 **Child headed household:** a household where both parents are deceased and where all occupants of the property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the state. Child headed households are automatically considered indigent unless proven otherwise.

3.6 **Household:** a registered owner or tenant with children who reside at the same premises.

3.7 **Indigent:** lacking the necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

3.8 **Indigent subsidy/poverty package:** the subsidy allows for free basic services in the form of electricity or other power options, water, sanitation, rubbish removal and property rates, as prescribed by Council from time to time.

3.9 **Indigent Management System:** an electronic management system applied by the Buffalo City Metropolitan Municipality for the management of the register of indigent households.

3.10 **Indigent Register:** the database which must be updated on a monthly basis, designed to include all the data contained within completed indigent application forms. The Register contains the following key information:

(i) Indigent customer details
(ii) Socio-economic details
(iii) Skills details

In addition, the indigent register must be able to provide reports relating to, but not limited to the following:

(i) Indigent application exceptions
(ii) Skills reporting required for LED/exit strategy
(iii) Socio-economic reporting

3.11 **Municipality:** the municipality of Buffalo City, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998.

3.12 **Occupier:** person who controls and resides on or controls and otherwise uses immovable property, provided that –

(i) The spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;

(ii) Where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier.

3.13 **Owner:** in relation to immovable property means –

(i) the person in whom is vested the legal title thereto, provided that –

(ii) the lessee of immovable property which is leased for a period of not less than ten years, whether the lease is registered or not, shall be deemed to be the owner thereof;

(iii) the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;

(iv) if the owner is deceased, insolvent or has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be owner thereof;

(v) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such a property; or

(vi) If the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property.

3.14 **Premises:** includes any piece of land, the external surface boundaries **of** which are delineated on –

(i) a general plan or diagram registered in terms of the Land Survey Act 1997 [Act No.8 of 1997] or in terms of the Deeds Registries Act [Act No. 47 of 1937];

(ii) A sectional plan registered in terms of the Sectional Titles Act, 1986 [Act No.95 of 1986], and situated within the boundaries of the municipality.

3.15 **Rates:** means any tax, duty or levy imposed on property by the Council.

4. Main Purpose

4.1. The Constitution of the Republic of South Africa No. 108 of 1996, read in conjunction with the Municipal Systems Act No. 32 of 2000 plus other government regulations, and Batho Pele principles, requires developmental local government to ensure the following provision of services in a sustainable manner that are affordable to all:

4.1.1. Access to at least a minimum level of basic municipal services within a safe and healthy environment, including electricity, water, sanitation and refuse removal.
4.1.2. ensuring that "needy or indigent households" have access to these basic services plus
4.1.3. Giving priority to these basic needs of the municipal residents.

4.2. In addition, the municipality firmly believes that in order to solve indigence, beneficiaries should be entitled to a broader package of services linked to employment, health and housing opportunities brought about by other initiatives, such as the Municipality's poverty alleviation programmes and local economic development initiatives.

4.3. The Growth and Development Summit (2007) Socio-Economic Profile stated that 45% of the population of Buffalo City was unemployed in 2005. Another survey of the Eastern Cape in 2006 stated that around 53% of households lived on an income of less than R1, 500 per month.

4.4. How to deal with these growing inequalities is a major policy issue for the Municipality. Until now, the provision of free basic services to the indigent has been subsumed in the larger Credit Control and Debt Collection Policy. As a developmental municipality, Buffalo City is committed to ensuring supporting measures that assist and empower communities. The municipality views the provision of free basic services as only one aspect of its overall poverty alleviation and economic development programmes.

4.5. Therefore, poverty is a wider and more complex issue than the collection and disbursement of revenue. While the overall goal will be to move indigent households to a position where they will be able to make a financial contribution to the Municipality's revenue collection, the reality is that this goal is some way off. This policy, and in particular the detailed procedures, attempt to address the complexities of living in poverty in Buffalo City.

5. Scope of the Policy

5.1. The scope of this policy extends to all indigent households within BCMM rather than individuals, whether registered as indigent with BCMM or not.

5.2. Strenuous efforts are made to ensure that all who qualifies as indigent are recognized and receive all services, grants and rebates that they are entitled to.

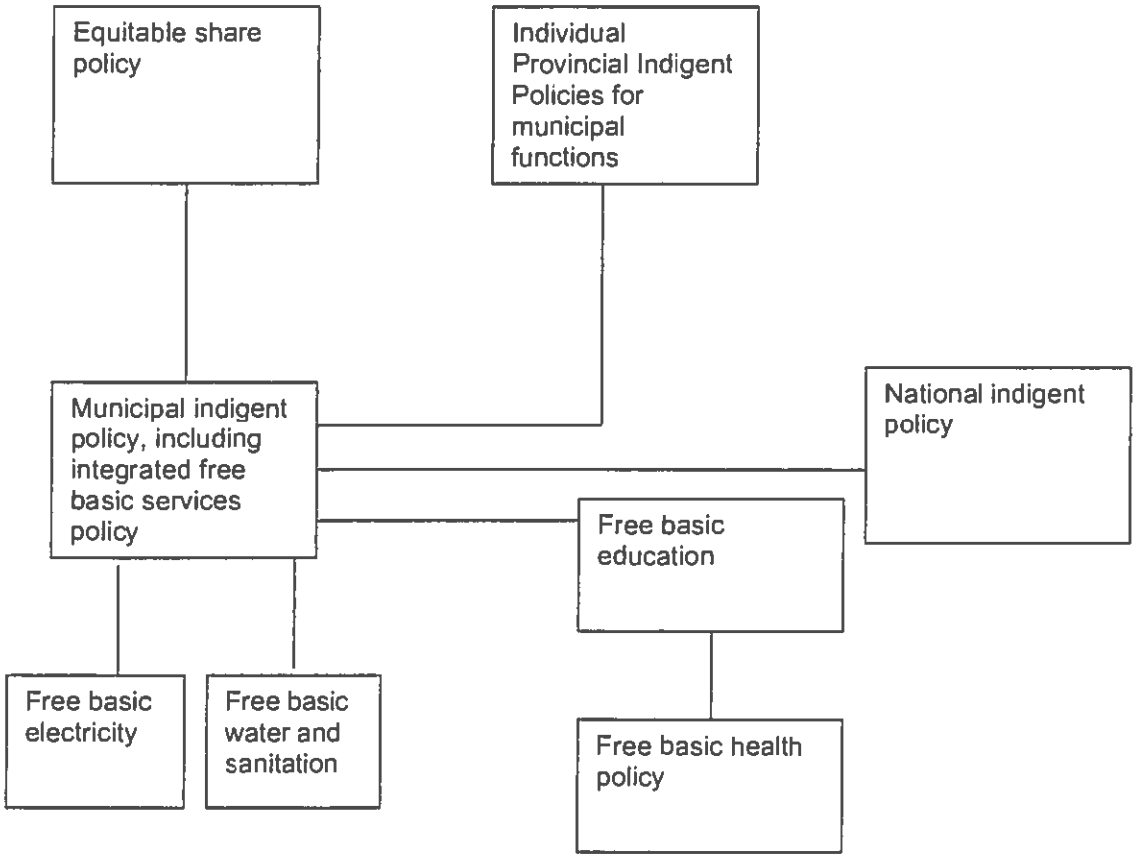
5.3. The definition of an indigent household in Buffalo City is as determined from time to time by the Council.

5.4. This policy needs to be applied in conjunction with the Equitable Share Policy of the National Treasury as equitable share is an important component of the funding to be used to subsidise the provision of free basic services to the indigent.

The relationship between key policies of the 3 tier governments is shown below:-

Relationships of Government Policies

Local Government **Provincial** **National**



6. Strategic Objective

6.1. The objective of this policy is an attempt to close the gap between those who are indigent and other citizens of BCMM, through the targeted assistance with free allocations of electricity, water and other services, together with broader based access to housing, community services, employment initiatives and basic health care. This objective should ensure that all citizens of BCMM are able to participate in the community, and are not barred through their indigent status.

6.2. The long term objective is to move those who are indigent away from the need for free basic services and other support measures into a more positive developmental role as ratepaying citizens of the community.

7. Guidelines relating to free basic services which complement this policy

It is also recognized that there are several existing sector-specific strategies and guidelines relating to free basic services which complement this policy, including:

7.1. Free basic water strategy and guideline prepared by the Department of Water Affairs and Forestry (DWAF).
7.2. Free basic sanitation strategy and guideline also prepared by DWAF.
7.3. Guideline on tariffs for municipal solid waste services prepared by the Department of Environmental Affairs and Tourism.
7.4. Electricity basic support tariff (free basic electricity) policy prepared by the Department of Minerals and Energy.
7.5. The Property Rates Act, which provides for zero-rating of low value properties, thereby ensuring that households on these properties gain access to a package of public services free.

8. Policy Objectives

8.1. In support of the above principles, the first objective of this policy will be to ensure that the indigent get **physical access** to services. This means that the necessary capital infrastructure, including water supply, sanitation and refuse removal systems are in place. Similarly, if the services required are not properly **operating or maintained**, the indigent do not have access either and continue to life without the necessities of life. In order for these services to be provided, an arrangement of subsidies needs to be put in place and that these subsidies are properly **targeted** in such a way that the indigent benefit and that those who are not indigent pay.

8.2. The provision of a range of basic services (the "basket of services" approach) in the community in a sustainable manner within the financial and administrative capacity of the Council.

8.3. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross-subsidisation.

8.4. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.

8.5. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households and

8.6. Cooperative governance with other spheres of government.

8.7. Detailed procedures will be decided from time to time and do not form part of this document. However, the framework for procedures includes:

8.7.1. A registration process where municipality actively canvass residents for information on their qualification for the indigent subsidy, as opposed to residents making their own enquiries as to their status. This includes communication campaigns and more general reminders about the right to claim, as well as specific information around the claims procedure.

8.7.2. The granting of a subsidy only to those who have correctly registered, with procedures around the detection of fraud and changes in circumstance e.g income levels rising above the threshold for subsidy.

8.7.3. The active participation of Ward Councillors in the identification of indigent households and the explanation of the scheme to residents in their Ward.

8.7.4. A review and audit procedure where those in receipt of the indigent subsidy are checked from time to time on their continuing qualification for subsidies, and where the procedures themselves are reviewed for continuing efficiency, relevance and effective targeting of the indigent in the Municipality.

8.7.5. An exit strategy around the continuing need for support from the municipality.

9. Key Principles

The municipality promotes the following principles:

9.1. To ensure that the Equitable Share received annually will be utilized for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay.

9.2. To link this policy with the IDP, local economic development initiatives and poverty alleviation programmes and other relevant Council policies.

9.3. To promote an integrated approach to free basic service delivery and other social services provided by the municipality.

9.4. To engage the community in the development and implementation of this policy.

The guiding principles used for targeting the indigent are:

9.5. Equity: the subsidy promotes both horizontal equity (people are treated equally across the municipality in the way tariffs influence their access to services) and vertically (groups with greater ability to pay should pay more).

9.6. Efficiency: incentives are provided for efficient production and allocation of services.

9.7. Environmental sustainability: tariffs and subsidies promote the delivery of services in an environmentally sustainable manner.

9.8. Financial viability: subsidies must be affordable.

9.9. Promotion of local economic development: tariffs and subsidies should work to enhance the impact on local economic development.

9.10. Implementability: the policies chosen are straightforward to implement.

10. Targeting and Qualification Criteria

10.1. There are several ways in which the indigent can be targeted for the indigent subsidy and the wider social services provided by a municipality, including service levels, service consumption, property value, household income and geographic (zonal) targeting. Buffalo City Metropolitan Municipality has targeted its indigent households through the socio-economic information and performance indicators contained in the IDP, local economic development initiatives and its other poverty relief programmes.

The Municipality has, within its financial and institutional capacity, chosen to use the following qualification criteria:

10.1.1. **Primary Qualification: - Property value:** Any property with a value which is less than or equal to the value of a new RDP house will be considered to be occupied by indigent resident/s. This value will be determined by Council from time to time.

10.1.2. **Secondary Qualification: - Gross Income less tax and pension:** A single household where the combined income of the household (gross household income) does not exceed the poverty threshold value, as determined by Council from time to time or the value of two state social grants per month. Child grants will not be considered when determining household income. Rural applicants will be considered according to this criterion.

10.2 **Property ownership:**

10.2.1 Living in a property owned by a member of the household, with the homeowner residing at that property.
10.2.2 Any occupant or resident of the single household may not own any property in addition to the property in respect of which indigent support is provided.
10.2.3 Property of indigent household may be inspected annually to determine validity of application or indigency.

10.3 **Registration:** The household must be a resident of and have a registered account with the Municipality, except households in informal settlements and in rural areas where no accounts are rendered.

10.4 **South African citizens or recognised refugees:** Members of the household must be South African citizens (with ID card) or have recognised refugee status (proof of status needed).

10.5 **Tenants:** A tenant or occupier as described in Council Credit Control Policy can apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.

10.6 **Deceased estates:** The account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property apply for assistance. This includes minor children in the case of child-headed households.

11 Service levels

The extent of the monthly indigent support granted to indigent households will be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the above framework, and striving to create a situation where poor households will be granted access to a full social package, the following assistance and support will be granted:

11.1 **Water**

Each registered indigent household shall receive water subsidised to a maximum approved by the Council from time to time.

11.2 **Electricity**

Each registered indigent household shall receive electricity subsidised to a maximum approved by the Council from time to time. This subsidy may also apply to registered indigent households in rural areas where Eskom is the electricity supplier.

11.3 **Refuse removal**

Each registered indigent household shall be subsidised for refuse removal as provided for in the annual budget.

11.4 **Sanitation**

Each registered indigent household shall be subsidised for sanitation as provided for in the annual budget.

11.5 **Property rates**

Each registered indigent household shall be subsidised for property rates as provided for in the annual budget as approved by Council.

11.6 **Rental (Dwellings and Sites)**

Subsidy will be granted in respect of all dwellings or sites belonging to the municipality up to maximum amount of subsidy as approved by Council annually.

11.7 **Fire levy**

Subsidy will be granted in respect of fire levies up to maximum approved by Council.

The total social package will not exceed the amount budgeted for social packages as approved by Council.

11.8 **Alternative energy sources**

Indigent households in informal settlements where no electricity is available may, on application, be provided with alternative energy sources including, but not limited to: paraffin, fire gel, liquefied petroleum gas, etc., provided that procurement of service providers or services shall be subject to the Supply Chain Management Policy and procedures of the Municipality and that the support given does not exceed the threshold or value of free electricity given to other indigent households.

11.9 **Housing assistance**

Housing assistance is provided as a means of technical, rather than financial support. The municipality must ensure that sufficient land is identified within the municipality, in appropriate locations, for all the residents in the municipality and that the necessary planning is undertaken to ensure that this land can be properly developed. Further, to ensure that funding available from the province for housing is properly allocated to assist the indigent with access to serviced plots.

11.10 **Short term assistance**

An indigent person in incidental distress may, on application, be assisted for a period not exceeding six months. Incidental distress will mean a person who is:

11.10.1 Temporarily unemployed
11.10.2 Hospitalised
11.10.3 Vacating their house eg sick, to be cared for by relatives

Such persons qualify for assistance if they are not receiving any assistance from any other source.

11.11 **Burials (Pauper Burials)**

In the event of a death of a dependent member of an indigent household, the municipality may, on application, exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery/within municipal area, subject to pauper burial policy.

11.12 **Transfer of properties**

In the event of the death of the title holder of a property in an indigent household, the Municipality may enter into agreements with local attorneys, the Legal Aid Board or the provincial Law Society for the transfer of the property into the name of the successor at the lowest possible cost.

12 Indigent Households in Retirement Centres

Indigent consumers living in retirement centres shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

12.1 The onus will be upon the board of trustees/managing agent/chairperson of the retirement centre to apply to the municipality for indigent status to be granted in respect of water consumption on behalf of the owners of those units who meet the criteria and conditions for qualification.

12.2 The onus will be upon the unit owner to apply to the municipality for indigent status to be granted in respect of property rates and service charges.

12.3 The representative of the retirement centre will submit applications to the Chief Financial Officer. These applications must be accompanied by a certified copy of the Sectional Title Plan of the retirement centre, which indicates the participation quota for each unit as registered in the Deeds Office.

12.4 The Indigent Section supervisor must verify all applications and must notify:

12.4.1 The representative of the retirement centre whether an application was successful or not with regard to water consumption and,
12.4.2 The unit owner whether an application was successful or not with regard to property rates and other related charges

12.5 The Chief Financial Officer will credit:

12.5.1 The monthly municipal water account of a retirement centre with water charges, the amount of which shall be calculated by dividing the total number of kilolitres of water consumed by the centre by the number of units in the complex, up to a maximum as prescribed by the Council, for each unit that qualifies for assistance and,
12.5.2 The general rates and refuse charges account of the unit owner with the full amount charged.

12.6 The representative of the retirement centre in respect of which monthly water credits are allowed under indigent support must ensure that such credits are offset against the monthly levies of the relevant individual units; such representative also being required once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance have been adjusted by the amounts credited to the account of the retirement centre.

13 Process Management

13.1 Processing Time

Applications will be processed within 30 days from the date of receipt.

13.2 Validity period

The validity period for assistance will be for a maximum period of 36 months except for those in receipt of social grants.

13.3 Death of registered applicant

In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.

13.4 Publication of register of indigent households

Names of indigent beneficiaries must be open for public perusal and comment. Such publication will occur annually. Written objections from the public must be referred to the Indigent Support Supervisor who will be responsible for investigating the validity of the complaint and for taking appropriate action.

13.5 **Excess consumption of services**

If the level of consumption of the indigent household exceeds the total package of free basic services as approved by the Municipality, from month to month or exceeds the monthly charges raised on the indigents account; the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the Municipality's credit control and debt collection measures.

13.6 **Termination of indigent support**

Indigent support will be terminated under the following circumstances:

13.6.1 Death of the account holder unless the surviving dependants are minor children.
13.6.2 End of the 36 month cycle, except for those in receipt of social grants.
13.6.3 Upon change of ownership of the property in respect of which support is granted.
13.6.4 When circumstances in the indigent household have improved to the point of exceeding the gross income threshold as prescribed by Council.
13.6.5 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

13.6.5.1 All arrears will become payable immediately
13.6.5.2 Stringent credit control measures will apply and
13.6.5.3 The applicant will not be eligible to apply for indigent support for a period of two years.

13.7 **Audit and Review**

13.7.1 The Municipality may conduct regular audits of the indigent register with regard to:

13.7.1.1 the information furnished by applicants,
13.7.1.2 possible changes in status,
13.7.1.3 service consumption and debt collection measures applied and
13.7.1.4 reviewing the current status of applicants.

13.7.2 The frequency of such audits will be 3 years depending on the institutional capacity of the Municipality to do so.

13.7.3 Periodic inspections should be undertaken, during the 3 years with a complete audit scheduled after 3 years.

13.8 **Exit programme**

13.8.1 Members of households registered as indigent must be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other government departments and the private sector.

13.8.2 As part of its poverty reduction programme, the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development initiatives and in the implementation of integrated development programmes where possible.

13.8.3 Buffalo City Metropolitan Municipality will promote the exit from indigency by:

13.8.3.1 Identifying indigents for inclusion in public works projects
13.8.3.2 Initiating local job creation projects such as cleansing operations, small infrastructure projects etc.
13.8.3.3 Facilitation of opportunities to enter the informal trade market
13.8.3.4 Facilitation of food security projects and
13.8.3.5 Liaison with national and provincial Departments to include indigent persons in their public works programmes.

14 Monitoring and reporting

14.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

14.1.1 Number of indigent households who applied and were approved
14.1.2 Time taken to process and finalise applications
14.1.3 Site visits undertaken
14.1.4 Amount of subsidy allocated per service category
14.1.5 Amount of debt accumulating and debt recovery information, ideally divided into wards, domestic, state, institutional and other such divisions
14.1.6 Performance of all areas against targets set in the municipality's performance management system
14.1.7 Changes in the registered status of indigents

15 Appeals

Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipal Manager within a period of 14 days from the date on which the aforesaid decision was communicated to the applicant.

16 Capacity building

16.1 The municipality must ensure that all officials and councilors are appropriately capacitated in Free Basic Services in terms of the following key areas:

16.1.1 Database management
16.1.2 Demand and revenue management
16.1.3 Policy and by-law implementation

ANNEXURE "A"

Assistance Procedures applicable to this policy

1. **Communication**

The municipality will develop a communications strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy, its implementation and limitations. Regular information dissemination regarding this policy through ward committees, community based organisations and face to face contact by means of imbizos will be undertaken.

Council will also embark on programs or campaigns to inform or identify households that are indigent, in order to register them on the Municipality's database, so that they can access the benefits and support in terms of this policy.

2. **Application/Registration**

A person applying for assistance must complete a formal indigent support application form approved by the Municipality and must meet the qualification criteria as stipulated in paragraph 9 of this policy.
The following procedure must be followed to register all indigents on the Municipality's database, namely:

2.1 Applicant collects prescribed application forms from the nearest Finance Department enquiry counter.

2.2 An official will explain to the applicant how to complete the form and also check if the applicant is already registered as an account holder or has a prepayment electricity meter.

2.3 Applicant submits the necessary documentation, namely:

Completed application forms, signed by Ward Councillor
South Africa Identification Document
Proof of income
Proof of residence
Proof of ownership of property
Marriage certificate if married, and copy of spouse's ID
Death certificate if deceased account holder
Affidavit if unemployed

2.4 The application form is recorded and applicant issued with a card or acknowledgement of receipt of application form.

2.5 Official checks that application is recommended and signed by relevant Ward Councillor.

2.6 Application form and attached documents are scrutinised for correctness of details.

2.7 Incorrect or incomplete forms are returned to the applicant for rectification/completion.

2.8 The application is approved and signed by the Head of the Indigent Section OR if refused, is also submitted to the Head for consideration. The final decision is communicated in writing to the applicant.

2.9 Inspectors are sent to the household to verify the status of applicant.

2.10 Where the property is occupied by minor children, the account is to be left in the name of the estate.

3. Approved applications

All applications that meet the prescribed qualification criteria are then processed on the financial system.

A copy of the approved application is sent to the Prepaid Electricity Vending section for the applicant to be flagged as Indigent in the prepayment system. This ensures that the applicant gets his/her monthly free issue and is charged the indigent tariff.

The total monthly subsidy applicable on service charges will be reflected on the monthly statement of account after approval.

4. Provision of false information

If it is ascertained *before* the Indigent Subsidy has been granted that the applicant has provided false information on the application form, or does not stay on the property, the application will be referred to the Head of the Indigent Section to be declined and a letter written to the applicant to inform him/her of the outcome.

If it is established *after* the Indigent Subsidy has been granted that the household has submitted fraudulent information, then the subsidy will be immediately cancelled retrospectively from the date of implementation and the relevant Ward Councillor informed. A penalty fee will be charged to the account of the house owner.

BUFFALO CITY METROPOLITAN MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

1. POLICY STATEMENT

1.1 PURPOSE OF THE POLICY

The Purpose of this policy is to ensure sound, sustainable and accountable supply chain management practices within the Buffalo City Metropolitan Municipality, whilst promoting broad based black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy and other empowerment strategies.

1.2 OBJECTIVES

The objectives of this policy are:

1.2.1 To give effect to Section 217 of the Constitution of the Republic of South Africa;

1.2.2 To implement a policy that is fair, equitable, transparent, competitive and cost effective;

1.2.3 To comply with all applicable provisions of the Municipal Finance Management Act;

1.2.4 To ensure consistency with all other applicable legislation including:

1.2.4.1 The Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000);

1.2.4.2 The Broad-Based Black Economic Empowerment Act 2003 (Act No.53 of 2003);

1.2.4.3 The Construction Industry Development Board Act 2000 (Act No.38 of 2000);

1.2.4.4 The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000)

1.2.4.5 The Promotion of Administrative Justice Act 2000, and

1.2.4.6 Any regulations promulgated in terms of the legislation referred to above. 3

1.2.5 This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between all organs of state is not undermined, and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.

1.3 COMPLIANCE WITH ETHICAL STANDARDS

1.3.1 In order to create an environment where business can be conducted within integrity and in a fair and reasonable manner, this policy provides that all representatives of the Municipality involved in supply chain management activities shall act with integrity and in accordance with the ethical standards set out in this policy.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates;

A word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and;

Words importing the singular shall include the plural and vice versa;

Words importing persons shall include companies, closed corporations and partnerships;

Words importing the masculine gender shall include the feminine gender and vice versa.

3. COMMENCEMENT AND REVIEW

3.1 This policy is effective from a date to be determined by Council of the municipality.

3.2 This policy shall be reviewed annually and when considered necessary by the accounting officer, proposals for the amendment of this policy shall be submitted to Council for approval.

3.3 Communication with the Municipality

All correspondence with regards to this Policy shall be addressed to the City Manager and will be available at the following:

Mayoral Committee Members

All Councillors

City Manager's office

All Directorates

Supply Chain Management Unit, and

Buffalo City Website

BUFFALO CITY METROPOLITAN MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption: 30 October 2013

Council Minute Number BCMC 458/13

30 October 2013

RESOLVED:

That the Council ADOPTS the Revised 2013 Buffalo City Metropolitan Municipality Supply Chain Management Policy as required by Municipal Supply Chain Management Regulations (3) (b) of the Municipal Management Act. No.32 of 2003.

TABLE OF CONTENTS

1. Definitions

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy
3. Amendment of supply chain management policy
4. Delegation of supply chain management powers and duties
5. Sub delegations
6. Oversight role of council

   6.1. Councillors barred from serving on municipal tender committees
7. Supply chain management units
8. Training of supply chain management officials

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

   Part 1: Demand management
10. System of demand management

    Part 2: Acquisition management
11. System of acquisition management
12. Range of procurement processes
13. General preconditions for consideration of written quotations or bids
14. Lists of accredited prospective providers
15. Petty cash purchases
16. Written or verbal quotations
17. Formal written price quotations
18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations
19. Competitive bidding process
20. Process for competitive bidding

21. Bid documentation for competitive bids
22. Public invitation for competitive bids
23. Procedure for handling, opening and recording of bids
24. Negotiations with preferred bidders
25. Two-stage bidding process
26. Committee system for competitive bids
27. Bid specification committees
28. Bid evaluation committees
29. Bid adjudication committees
30. Procurement of banking services
31. Procurement of IT related goods or services
32. Procurement of goods and services under contracts secured by other organs of state
33. Procurement of goods necessitating special safety arrangements
34. Proudly SA Campaign
35. Appointment of consultants
36. Deviation from, and ratification of minor breaches of, procurement processes
37. Unsolicited bids
38. Combating of abuse of supply chain management system

Part 3: Logistics, Disposal, Risk and Performance Management

39. Logistics management
40. Disposal management
41. Risk management
42. Performance management

Part 4: Other matters

43. Prohibition on awards to persons whose tax matters are not in order
44. Prohibition on awards to persons in the service of the state
45. Awards to close family members of persons in the service of the state
46. Ethical standards

47. Inducements, rewards, gifts and favours
48. Sponsorships
49. Objections and complaints
50. Resolution of disputes, objections, complaints and queries
51. Contracts providing for compensation based on turnover

CHAPTER 3

PROMOTING BLACK ECONOMIC EMPOWERMENT THROUGH METRO PROCUREMENT STRATEGIES

52. Preamble
53. Strategy for achieving PPPFA objectives in line with Broad Based Black Economic Empowerment
54. Contractor Development Programme
55. Expanded Public Works Programme
56. Cooperatives
57. Unbundling

1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and -

"Broad-Based Black Economic Empowerment Act": means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.

"competitive bid" means a bid in terms of a competitive bidding process;

"competitive bidding process" means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

"Construction Industry Development Board (CIDB) Act": means the Construction Industry Development Board Act, 38 of 2000 and includes the Regulations pertaining thereto.

"Contract participation goal": the value of the participation of a specific target group that a contractor must achieve in the performance of a contract, expressed as a percentage of the bid sum less provisional sums, contingencies and VAT

"in the service of the state" means to be -

(a) a member of -
  (i) any municipal council;
  (ii) any provincial legislature; or
  (iii) the National Assembly or the National Council of Provinces;
(b) a member of the board of directors of any municipal entity;
(c) an official of any municipality or municipal entity;
(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
(e) a member of the accounting authority of any national or provincial public entity; or
(f) an employee of Parliament or a provincial legislature;

"final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"formal written price quotation" means quotations referred to in paragraph 12 (1) (c) of this Policy;

"long term contract" means a contract with a duration period exceeding one year;

"list of accredited prospective providers" means the list of accredited prospective providers which the Buffalo City Municipality must keep in terms of paragraph 14 of this policy;

"METRO" means the Metropolitan Municipality of the Buffalo City or any person(s) or committee delegated with the authority to act on its behalf.

"other applicable legislation" means any other legislation applicable to municipal supply chain management, including -

(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

(b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and

(c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

"Preference points": mean the points for preference referred to in this Policy.

"Preferential Procurement Policy Framework Act" (PPPFA): means the Preferential Procurement Policy Framework *(Act No. 5 of 2000)

"Preferential Procurement Regulations": means the regulations pertaining to the PPPFA.

"Responsible Agent": means either an internal project manager (being an employee of the Metro) or an external consultant (appointed by the Metro), as the case may be, who is responsible for the implementation of a project or part thereof.

"Targeted Enterprises": means those enterprises (suppliers, manufacturers, service providers or construction works contractors) that own, operate or maintain premises within the target area defined in the contract, for the purposes of carrying out their normal business operations.

"Targeted Labour": means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the defined target area.

"the Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"the Regulations" means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

"Treasury guidelines" means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

"written or verbal quotations" means quotations referred to in paragraph 12(1)(b) of this Policy.

CHAPTER 1
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

(1) All officials and other role players in the supply chain management system of the Buffalo City Municipality must implement this Policy in a way that -

(a) gives effect to -

(i) section 217 of the Constitution; and

(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with -

(i) the Regulations; and

(ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) is consistent with other applicable legislation;

(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the municipality -

(a) procures goods or services;

(b) disposes goods no longer needed;

(c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including -

(a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

(b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the supply chain management policy

(1) The accounting officer must-

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Council

(2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must -

(a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for

uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. Delegation of supply chain management powers and duties

(1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer -

(a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of -

(i) Chapter 8 or 10 of the Act; and

(ii) this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the subdelegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

(3) The accounting officer may not subdelegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub delegations

(1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such subdelegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award -

(a) above R10 million (VAT included) may not be sub delegated by the accounting officer;

(b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to -

(i) the chief financial officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(c) not exceeding R2 million (VAT included) may be sub delegated but only to -

(i) the chief financial officer;

(ii) a senior manager;

(iii) a manager directly accountable to the chief financial officer or a senior manager; or

(iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final

awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including-

(a) the amount of the award;
(b) the name of the person to whom the award was made; and
(c) the reason why the award was made to that person.

(4) A written report referred to in subparagraph (3) must be submitted -
(a) to the accounting officer, in the case of an award by -
(i) the chief financial officer;
(ii) a senior manager; or
(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by -
(i) a manager referred to in subparagraph (2)(c)(iii); or
(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of council

(1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the accounting officer must -

(ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council,

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.

(3) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

6.1 Councillors barred from serving on Municipal tender committee.

(1) No councillor of the Buffalo City Metropolitan Municipality may be a member of the municipal bid specification, evaluation or adjudication committees or any other committee evaluating of approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

7. Supply chain management unit

(1) A supply chain management unit is hereby established to implement this Policy, the members of which shall adhere to the Code of Conduct annexed hereto marked "B"

(2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2
SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This Policy provides systems for -

(i) demand management;

(ii) acquisition management;

(iii) logistics management;

(iv) disposal management;

(v) risk management; and

(vi) performance management.

Part 1: Demand management

10. System of demand management

(1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

(2) The demand management system must -

(a) include timely planning and management processes to ensure that all goods and services required by the are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and

(c) provide for the compilation of the required specifications to ensure that its needs are met.

(d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

11. System of acquisition management

(1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure -

(a) that goods and services are procured by the in accordance with authorised processes only, which shall accord with the Acquisition Management Directives reflected in Annexure "A" hereto.

(b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) that the threshold values for the different procurement processes are complied with;

(d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) that any Treasury guidelines on acquisition management are properly taken into account

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

(a) the kind of goods or services; and

(b) the name of the supplier.

(3) The supply Chain Management policy, except where provided otherwise in the policy, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including -

(a) water from the Department of water Affairs or a public entity, another municipality or a municipal entity, and

(b) electricity from Eskom or another public entity, another municipality or a municipal entity.

(4) The Acquisition Management Directives reflected in Annexure "A" shall not apply in respect of pre-determined tariff based professional appointments

12. Range of procurement processes

(1) Goods and services may only be procured by way of -

(a) petty cash purchases, up to a transaction value of R2 000 (VAT included);

(b) written or verbal quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);

(c) formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included); and

(d) a competitive bidding process for-

(i) procurements above a transaction value of R200 000 (VAT included); and

(ii) the procurement of long term contracts.

(2) The accounting officer may, in writing-

(a) lower, but not increase, the different threshold values specified in subparagraph (1); or

(b) direct that -

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or (iii)

a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

1. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid -

(a) has furnished that provider's -

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

(b) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and

(c) has indicated -

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the

service of the state in the previous twelve months.

14. Lists of accredited prospective providers

(1) The accounting officer must -

(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers; and

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

15. Petty cash purchases

1. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows -

(a) The Chief Financial Officer determines the terms on which a manager may

delegate responsibility for petty cash to an official reporting to the manager;

(b) The Chief Financial Officer determines the maximum number of petty cash purchases or the maximum amounts per month for each manager;

(c) The Chief Financial Officer determines any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and

(d) a monthly reconciliation report from each manager must be provided to the chief financial officer, including -

(i) the total amount of petty cash purchases for that month; and

(ii) receipts and appropriate documents for each purchase.

16. Written or verbal quotations

1 The conditions for the procurement of goods or services from R0 to R10 000 (VAT included) through written or verbal quotations, are as follows:

(a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality,

(b) Where quotations have been obtained from providers who are not listed, such providers must meet the listing criteria for registration on the Municipality's Database subject to authorisation by the Accounting Officer or any official delegated by the Accounting Officer.

(c) To the extent feasible, providers must be requested to submit such quotations in writing;

(d) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the CFO or any official designated by Chief Financial Officer, and quarterly reported must be submitted to the accounting officer or another official designated by the accounting officer;

(e) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

(f) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. Formal written price quotations

(1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

(a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;

(b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and

(d) the accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

1. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:
    a. when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
    b. all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality.
    c. offers received must be evaluated on a comparative basis taking into account unconditional discounts;
    d. the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations; and

    e. formal written price quotations accepted by an official acting in terms of a subdelegation
    f. offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
    g. acceptable offers, which are subject to the preference points system(PPPFA and associated regulations), must be awarded to the bidder who scored the highest points
    h.
2. The CFO shall determine the requirements for proper record keeping.

19. Competitive bids

(1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. Process for competitive bidding

1) The procedures for the following stages of a competitive bidding process are as follows:
   (a) Compilation of bidding documentation as detailed in paragraph 21
   (b) Public invitation of bids as detailed in paragraph 22;
   (c) Site meetings or briefing sessions as detailed in paragraph 22;
   (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
   (e) Evaluation of bids as detailed in paragraph 28;
   (f) Award of contracts as detailed in paragraph 29;
   (g) Administration of contracts
   (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
   (h) Proper record keeping
   (i) Original/legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21 Bid documentation for competitive bids

1. The criteria to which bid documentation for a competitive bidding process must comply, must -

(a) take into account -

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish-

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements -

(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

22. Public invitation for competitive bids

(1) The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) the information contained in a public advertisement, must include -

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the municipality, and

(iii) date, time and venue of any proposed site meetings or briefing sessions

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed.

(4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

23. Procedure for handling, opening and recording of bids

1 The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids-

(i) must be opened only in public;

(ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) received after the closing time should not be considered and

returned unopened immediately.

(b) any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer or designated official must -

(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iv) publish the entries in the register and the bid results on the website.

24. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -

(a) does not allow any preferred bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder; and

(c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

25. Two-stage bidding process

(1) A two-stage bidding process is allowed for -

(a) large complex projects;

(b) projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

26. Committee system for competitive bids

(1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
   (a) a bid specification committee;
   (b) a bid evaluation committee; and
   (c) a bid adjudication committee;

(2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with -
   (a) paragraph 27, 28 and 29 of this Policy; and
   (b) any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

(1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.

(2) Specifications -

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

(f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and

(g) must be approved by the accounting officer or delegated official

prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(h) In any tender where it is claimed or alleged that there is only one or no company meeting the tender specifications, the specification committee may solicit the opinion of a technical expect.

(i) Must be drafted in such a manner as to effectively achieve the targets and objectives of Chapter 3- Promoting Black Economic Empowerment through Metro Procurement Strategies.

(3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28. Bid evaluation committees

(1) A bid evaluation committee must -

(a) evaluate bids in accordance with -

(i) the specifications for a specific procurement; and

(ii) the points system set out in terms of paragraph 27(2)(f).

(b) evaluate each bidder's ability to execute the contract;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other

related matter.

e) In the case of formal tenders being discovered that they have failed to comply with the tender specification or any general tender requirement, the Evaluation Committee has a right to issue instruction for retendering.

(2) A bid evaluation committee must as far as possible be composed of-

(a) officials from departments requiring the goods or services; and

(b) at least one supply chain management practitioner of the municipality.

***29.* Bid adjudication committees**

(1) A bid adjudication committee must -

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either -

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

2 A bid adjudication committee must consist of at least four senior managers of the municipality which must include -

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the municipality and

(c) a technical expert in the relevant field who is an official, if such an expert exists.

(3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid -

(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;

(ii) notify the accounting officer.

(a) The accounting officer may -

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days

30 Procurement of banking services

(1) A contract for banking services -

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60

days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1)(a) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31 Procurement of IT related goods and services

1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

2) Both parties must enter into a written agreement to regulate the services

rendered by, and the payments to be made to, SITA

3) The accounting officer must notify SITA together with a motivation of the IT needs if -

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

32) Procurement of goods and services under contracts secured by other organs of state

(1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if -

(a) a municipal entity procures goods or services through a contract

secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33) Procurement of goods necessitating special safety arrangements

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34) Proudly SA Campaign

The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

Firstly - suppliers and businesses within the Metropolitan;

Secondly - suppliers and businesses within the relevant province;

Thirdly - suppliers and businesses within the Republic.

35) Appointment of consultants

(1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

(2) Consultancy services must be procured through competitive bids if

(a) the value of the contract exceeds R200 000 (VAT included); or

(b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -

(a) all consultancy services provided to an organ of state in the last five years; and

(b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

(36) Deviation from, and ratification of minor breaches of, procurement processes

(1) The accounting officer may -

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or

impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(5) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

(37) Unsolicited bids

(1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if -

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(c) the person who made the bid is the sole provider of the product or service; and

(d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that

complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with -

(a) reasons as to why the bid should not be open to other competitors;

(b) an explanation of the potential benefits if the unsolicited bid were accepted; and

(c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account -

a. any comments submitted by the public; and

b. any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the

reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

(38) Combating of abuse of supply chain management system

(1) The accounting officer must-

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified -

(i) take appropriate steps against such official or other role player; or

(ii) report any alleged criminal conduct to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;

(d) reject any bid from a bidder-

(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform

satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded to a person if -

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) reject the bid of any bidder if that bidder or any of its directors -

(i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

(39) Logistics management

(1) The accounting officer must establish and implement an effective system of logistics management, which must include -

a. the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
b. the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
c. the placing of manual or electronic orders for all acquisitions other than those from petty cash;
d. before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
e. appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
f. regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
g. monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services

(40) Disposal management

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:

(2). A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal Council, in a meeting open to the public-

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset

The accounting officer must ensure that -

(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

(b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;

(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

(g) in the case of the free disposal of computer equipment, the provincial

department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

(3) Assets may be disposed of by -

(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;

(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;

(iii) selling the asset; or

(iv) destroying the asset.

(41) Risk management

(1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:

(a) the identification of risks on a case-by-case basis;

(b) the allocation of risks to the party best suited to manage such risks;

(c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

(42) Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether

the objectives of this Policy were achieved.

Part 4: Other matters

(43) Prohibition on awards to persons whose tax matters are not in order

(1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

44) Prohibition on awards to persons in the service of the state

1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy -

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) a person who is an advisor or consultant contracted with the municipality.

(45) Awards to close family members of persons in the service of the state

1) The accounting officer must ensure that the notes to the annual financial

statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

(a) the name of that person;

(b) the capacity in which that person is in the service of the state; and

(c) the amount of the award.

(46) Ethical standards

(1) A code of ethical standards as set out in subparagraph (2) below is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote -

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) An official or other role player involved in the implementation of this Policy

(a) must treat all providers and potential providers equitably;

(b) may not use his or her position for private gain or to improperly benefit another person;

(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

(d) notwithstanding subparagraph (2) (c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or

disposal process of, or in any award of a contract by the municipality;

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to municipality;

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including -

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of paragraph 47(1) of this Policy; or

(iii) any alleged breach of this code of ethical standards.

(3) Declarations in terms of subparagraphs (2)(d) and (e) -

(a) must be recorded in a register which the accounting officer must keep for this purpose;

(b) by the accounting officer must be made to the Executive Mayor of the municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved

in supply chain management.

(5) A breach of the code of ethics must be dealt with as follows -

(a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

i. in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

ii. In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act

(47) Inducements, rewards, gifts and favours to [municipalities / municipal entities], officials and other role players

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -

(a) any inducement or reward to the municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to -

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in total value received on no more than one occasion received from any one supplier during a particular financial year.

(48) Sponsorships

(1) The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is -

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.

(49) Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

(50) Resolution of disputes, objections, complaints and queries

(1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes -

(a) to assist in the resolution of disputes between the municipality and other persons regarding -

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(c) If disputes occur in all projects above R10 Million, the Director: Legal Services, will recommend an independent and impartial person to the Accounting Officer in order to mediate I the dispute

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must -

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if -

(a)the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. Contracts providing for compensation based on turnover

(1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate -

(b) a cap on the compensation payable to the service provider; and

(c) that such compensation must be performance based.

CHAPTER 3

PROMOTING BLACK ECONOMIC EMPOWERMENT THROUGH METRO PROCUREMENT STRATEGIES

52. PREAMBLE

(1) The Metro will implement a holistic and focused strategy to promote Broad Based Black Economic Empowerment with a view to achieving a target of at least 20 %of annual procurement spend in this regard.

53. STRATEGY FOR ACHIEVING PPPFA OBJECTIVES IN LINE WITH BROAD BASED BLACK ECONOMIC EMPOWERMENT

(1) The Metro will apply a preference point system for Exempted Micro and B-BBEE Contributors in terms of the Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy framework Act, Act No.5 of 2000.

(2) The 80/20 preference point system will be applicable to bids with a Rand value equal to, or above R30 000 and up to a Rand value of R1 million (all applicable taxes included).

(3) The Metro may apply the 80/20 preference point system to price quotations with a value less than R30 000 if and when appropriate.

(4) The 90/10 preference point system will be applicable to bids with a Rand value

above R1 million (all applicable taxes included).

(5) The Metro is committed to the Broad Based Black Economic Empowerment Act, Act No.53 of 2003 the gazetted Codes of Good Practice on B-BBEE which defines the seven measurable scorecard elements of :

Ownership;
Management;
Employment Equity;
Skills Development;
Preferential Procurement;
Enterprise Development; and
Socio-Economic Development.

54. CONTRACTOR DEVELOPMENT PROGRAMME

(1) The Metro will implement a Contractor Development Programme ("CDP") in accordance with CIDB Framework of September 2011 as mandated by the Construction Industry Development Board Act 38 of 2000.

(2) The CDP will promote equity ownership across the different contracting categories and grades, as well as improve skills and performance in the delivery and maintenance of capital works within the jurisdiction of the Metro.

(3) The CDP will:

(i) Increase the number of black, women, disabled, and youth-owned companies in targeted categories and grades ;

(ii) Increase the representatively of contractors in all categories and grades;

(iii) Improve the grading status of previously disadvantaged contractors in targeted categories and grades;

(iv) Improve the performance of previously disadvantaged contractors in terms of quality, employment practices, skills development, safety, health and the environment; and

(v) Improve the business management and technical skills of these contractors.

55. EXPANDED PUBLIC WORKS PROGRAMME

(1) The Metro will establish an Expanded Public Works Programme ("EPWP") which creates opportunities for labour absorption and income transfers to poor households in the short to medium-term.

(2) The EPWP will be established in terms of the following legal framework:

(i) The Constitution of South Africa Act 108 of 1996;

(ii) Intergovernmental Relations Framework Act 13 of 2005;

(iii) The Municipal Systems Act 32 of 2000; and

(iv) Division of Revenue Bill 2006.

(3) The BCMM EPWP will use expenditure on goods and services to create work opportunities for the unemployed.

(4) EPWP Projects will employ workers on a temporary or on-going basis either by government, by contractors, or by other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

(5) The EPWP methodology will be entrenched within the IDP to expand the current service delivery model of goods and services to ensure shared economic growth.

(6) The EPWP will ensure developmental integration across all sectors and re-engineer how the Metro plans, designs and implements projects / programmes within the existing operational and capital budgets.

(7) Two key areas of focus of the EPWP will be:

(i) INCREASING EMPLOYMENT OPPORTUNITIES

A key socio-economic objective is to facilitate the creation of employment for the people within the jurisdiction of the Metro by increasing employment opportunities through procurement by specifying labour intensive technologies and/or methods of construction in the bid documents.

It is up to Responsible Agents to thoroughly investigate the options available in the above regard, to evaluate the positive versus negative

impact of any proposals, and to specify labour intensive technologies and /or methods where appropriate

All labour earning less than a threshold wage, determined in accordance with Ministerial Declaration 4-expanded Public Works Programme as gazetted on 4 May 2012" that is employed for the provision of services or construction works for the Metro, shall be reported in the prescribed format, on a monthly basis.

(ii) TARGETED LABOUR AND OR TARGETED ENTERPRISES

The targeting of labour and/or enterprises from specific areas within the boundaries of the Metro area may be achieved, where appropriate, by specifying in the bid documents, a minimum level of participation (a contract participation goal) that must be achieved in respect of targeted labour and/or targeted enterprises in the performance of the contract.

56. COOPERATIVES

(1) The Metro will intensify the empowerment of Cooperatives "in accordance with legislative provisions, including CIDB and EPWP" by developing and implementing a strategy which will seek to:

(i) enhance institutional capacity of Cooperatives to play their role more effectively and efficiently;

(ii) facilitate access to support for cooperatives from a variety of agencies;

(iii) facilitate sharing of information that will enhance the existence and performance of cooperatives in the market;

(iv) create opportunities for the cooperatives to engage fully with the market;

(v) To support the work of cooperatives through facilitating access to enabling infrastructure; and

(vi) To facilitate beneficiation of cooperatives in municipal procurement processes

57. UNBUNDLING

(1) In order to encourage increased participation and the sustainable growth of the small business sector, the unbundling of larger projects into smaller, more manageable, contracts is encouraged provided that such unbundling is in accordance with legislative provisions including CIDB and EPWP

(2) Unbundling must however be considered in the context of:

(i) economies of scale being lost;

(ii) abortive work becoming necessary;

(iii) additional demands (not only financial) being placed on the Metro's resources; and

(iv) the risk of later phases not being completed as a result of budget cuts becoming necessary in the future.

(3) Unbundling, and all of its associated implications, must therefore be carefully considered at the planning stage of any project and the budgets for, and design thereof, should be structured accordingly.

(4) It is important to note that while it is the Metro's policy to procure goods, services or construction works in the smallest practicable quantities, the practice of parcelling such procurement in order to avoid complying with the

requirements of the different range of procurement processes described in this policy is not permitted.

NATIONAL TREASURY

MFMA Circular No. 74

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars.

CONTENTS

KEY FOCUS AREAS FOR THE 2015/16 BUDGET PROCESS 2
- THE MEDIUM TERM BUDGET POLICY STATEMENT 2014 2
- LOCAL GOVERNMENT CONDITIONAL GRANTS AND ADDITIONAL ALLOCATIONS 3
- CHANGES IN THE 2014 DIVISION OF REVENUE AMENDMENT BILL 4
- STRENGTHENING PROCUREMENT TO OBTAIN VALUE FOR MONEY AND COMBATING CORRUPTION 4
- LOCAL GOVERNMENT BUDGET AND FINANCIAL MANAGEMENT REFORMS 5

HEADLINE INFLATION FORECASTS 7

REVISING RATES, TARIFFS AND OTHER CHARGES 7
- OPERATING REVENUE 7
- MANAGEMENT ACCOUNTING AND TARIFF SETTING 8
- INTERPRETATION OF SECTION 43 OF THE MFMA 8
- NERSA'S PROCESS TO APPROVE ELECTRICITY TARIFFS 9
- ESKOM BULK TARIFF INCREASES 9
- WATER AND SANITATION TARIFFS MUST BE COST-REFLECTIVE 10

FUNDING CHOICES AND MANAGEMENT ISSUES 10
- EMPLOYEE RELATED COSTS 10
- GENERAL –EXPENDITURE (COST-CONTAINMENT MEASURES AND NON-PRIORITY SPENDING) 10
- THE USE OF CONSULTANTS 11
- BUDGETING FOR UNFUNDEO/ UNDERFUNDED MANDATES 11
- BUOGET MANAGEMENT ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 11

CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES 12
- CONDITIONAL GRANT ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 12

THE MUNICIPAL BUDGET AND REPORTING REGULATIONS 13
- ASSISTANCE WITH THE COMPILATION OF BUDGETS 14
- ADDRESSING GAPS IDENTIFIED IN MUNICIPALITIES BUDGETS 14
- *BUDGETING FOR REVENUE ON TABLE A2* 15
- *BUDGETING FOR ASSET REGISTER VALUE ON TABLE A9* 15
- *COMPLETION OF SERVICE DELIVERY INFORMATION ON TABLE A10* 15
- *BUDGETING FOR REVENUE FOREGONE AND FREE BASIC SERVICES TO INDIGENTS* 15
- TABLING FUNDED BUDGETS 15
- MBRR ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 16

BUDGET PROCESS AND SUBMISSIONS FOR THE 2015/16 MTREF 16
- SUBMITTING BUDGET DOCUMENTATION AND SCHEDULES FOR 2015/16 MTREF 17
- BUDGET REFORM RETURNS TO THE LOCAL GOVERNMENT DATABASE FOR PUBLICATION 18
- REPORTING IN TERMS OF SECTION 71 18
- PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES 18

ANNEXURE A – CHANGES TO SCHEDULE A1 – THE 'EXCEL FORMATS' 20

Key focus areas for the 2015/16 budget process

The Medium Term Budget Policy Statement 2014

The MTBPS highlights that South Africa's economic performance has deteriorated over the past several years. Gross domestic product (GDP) growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017.

Key priorities of government are to reshape South Africa's urban environment through integrated spatial planning, investment in dynamic city development, integrated housing and transport programmes, and support for business activity and job creation. The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- ***Building the capacity of local government through the "back to basics" approach*** which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.

- Reshaping South Africa's urban environment through **integrated spatial planning and an expansion of the municipal debt market.** Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this, large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations. Over the next three years, the government will roll-out a new approach to local government infrastructure financing. Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities. Planning will focus on developing mixed-use precincts that can help to catalyse economic activity, and on upgrading informal settlements.

Municipalities require capacity to be able to implement the MTSF's priorities for structural reform. This means that the state's capacity to plan, manage and maintain its programmes and infrastructure must improve. Government is providing the following support to enable cities to promote growth and urban spatial transformation.

- A project preparation facility which helps municipalities to build a robust pipeline of well-designed, catalytic projects for implementation;
- The infrastructure delivery management system is being expanded from provinces to large cities; and
- Technical assistance will support the review of borrowing strategies.

In addition, support will be provided to municipalities to improve revenue collection and the management of infrastructure financed from both own revenue and grants. National government will work with municipalities to expand their own contributions to local infrastructure investment, while reforms to the grant system will allow for more flexibility in the design of locally appropriate solutions; thereby facilitating more efficient use of available resources for social infrastructure. Greater integration between the capital investment plans of state-owned companies and city development strategies will also be encouraged.

Government will also work with private investors and development finance institutions to expand debt financing for municipal infrastructure. The Development Bank of Southern Africa (DBSA) is currently examining ways to encourage greater private investment in the municipal infrastructure market through infrastructure bonds, municipal bond underwriting, project

finance and various contracting models. These initiatives will aim to improve liquidity and extend maturities in the municipal bond market – and to encourage, rather than crowd out, private investment. The policy objectives will seek to reshape the urban landscape, through the renewal of investment in affordable housing and lenders will be encouraged to expand the debt-finance market for municipal infrastructure in support of infrastructure investment.

As mentioned above, ***sustainable job creation*** remains a national priority and municipalities must ensure that in drafting their 2015/16 budgets and MTREFs they continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

The economic growth plays a critical role in job creation; therefore greater private sector investment in the economy is encouraged. Municipalities must continue to undertake joint planning with their communities and respective business sectors that drive the local economy.

Local government conditional grants and additional allocations

The division of available funds to Local Government has increased to R99.2 billion or 9.1 per cent for 2015/16. This is expected to increase to R110.0 billion by 2017/18. The *Medium Term Budget Policy Statement 2014* indicates that over the 2015 MTEF period, transfers to local government total R313 billion, with 61.4 per cent transferred as unconditional allocations such as the equitable share and sharing of the general fuel levy. The remainder is allocated through conditional grants. As an interim measure municipalities MUST ensure that their tabled budgets reflect the conditional grant allocations set out in the 2015 Division of Revenue Bill.

Municipalities are advised to use the indicative numbers as set out in the 2014 Division of Revenue Act to compile their 2015/16 Medium-term Revenue and Expenditure budgets. In terms of the outer year of the 2015/16 municipal MTREF (2017/18 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2014 Division of Revenue Act for 2016/17. **These numbers should then be updated once the 2015 Medium-term Expenditure Framework (MTEF) is tabled by the Minister of Finance in Parliament towards the end of February 2015.** The 2015 Medium-term Expenditure Framework will be published the day after the Minister's budget speech on National Treasury's website at: http://www.treasury.gov.za/legislation/acts/2014/Default.aspx

The Medium Term Budget Policy Statement 2014 highlighted that the country's weaker-than-expected economic performance and outlook pose new fiscal challenges. Lowering the expenditure ceiling is one of the measures implemented. Therefore decreases in indicative baselines will be allocated proportionately across national, provincial and local government according to their share of national revenue.

In the case of local government, reductions will only be made to conditional grants and not to the local government equitable share. Reductions will be spread across the grants and larger reductions will be applied to grants that have a history of underspending and non-infrastructure grants. This translates to a reduction in baseline allocations for local government conditional grants of R920.6 million in 2015/16 and R1.4 billion in 2016/17.

The ***Municipal Human Settlements Capacity Grant*** was introduced in 2014/15 to facilitate the development of capacity to manage human settlements programmes in Cape Town, Ekurhuleni, eThekwini, Johannesburg, Nelson Mandela Bay and Tshwane Metropolitan Municipalities. While the process of assigning the housing function is being reviewed, strengthening the capacity of these cities to manage the built environment remains a priority.

Allocations in terms of this grant will be reduced and the structure and conditions of the grant will be amended to reflect these changes. Details will be announced in the 2015/16 Budget.

A new grant is also proposed to fund the anticipated administrative costs of municipalities in KwaZulu-Natal and Gauteng that will be affected by mergers after the 2016 local government elections.

Additions are also proposed for the ***Regional Bulk Infrastructure Grant*** and ***Municipal Water Infrastructure Grant***. These allocations are intended to allow government to accelerate the provision of clean water to households.

While the review of local government infrastructure grants will continue in 2015, two changes emerging from the review's recommendations so far are proposed for 2015/16:

- Rationalising four grants administered by the Department of Water and Sanitation. These grants, which have overlapping objectives, are the *Municipal Water Infrastructure Grant, Water Services Operating Subsidy Grant, Rural Households Infrastructure Grant* and *Regional Bulk Infrastructure Grant*; and
- Merging the *Public Transport Infrastructure Grant* and the *Public Transport Network Operations Grant* into a single grant that provides more flexibility to cities in choosing public transport solutions.

Changes in the 2014 Division of Revenue Amendment Bill

The Minister of Finance tabled the 2014 Division of Revenue Amendment Bill on 22 October 2014. The details of the changes to municipal allocations and the reasons for these changes are discussed in the explanatory memorandum to the Bill, available on the National Treasury's website at: http://www.treasury.gov.za/documents/mtbps/2014/default.aspx

The 2014 Division of Revenue Amendment Bill includes a rollover of R80.2 million on Municipal Infrastructure Grant for projects in nine municipalities where transfers were stopped in 2013/14. These municipalities are in the Eastern Cape, KwaZulu-Natal, Northern Cape, North West and Western Cape. An amount of R157 million will be transferred to municipalities through the Municipal Disaster Recovery Grant in response to requests for post disaster funding. This is to repair and replace infrastructure damaged as a result of declared disasters that occurred in 2013 and 2014. The changes will be gazetted in December 2014.

The explanatory memorandum to the 2014 Division of Revenue Amendment Bill also sets out technical corrections to the conditional grant frameworks for the Rural Households Infrastructure Grant and the Municipal Human Settlements Capacity Grant.

Strengthening procurement to obtain value for money and combating corruption

A large share of the national budget is spent to build infrastructure, and to procure goods and services. This expenditure contributes to production and jobs throughout the economy. Government must ensure that its procurement processes are prudent, deliver value for money and help to improve service delivery.

An objective of the Office of the Chief Procurement Officer that was established within the National Treasury in April 2013 is to minimise waste and corruption, and ensure that government derives maximum social and economic benefits from every Rand spent.

This centralised oversight of public procurement will also improve efforts to root out tender fraud. Over the next three years, the Office of the Chief Procurement Officer will build a foundation for more cost-effective procurement operations in the public sector. The range and

scope of nationally negotiated contracts will be expanded, a national price-referencing system will be introduced, and government will draw on private-sector expertise and best practice in procurement systems. The fight against corruption also depends on an active citizenry, which the National Development Plan stresses is a precondition for South Africa to achieve its ambitious social and economic objectives.

Local government budget and financial management reforms

Regulation of a 'Standard Chart of Accounts' (SCOA) for local government

The Minister of Finance promulgated the Municipal Regulations on the Standard Chart of Accounts (SCOA) on 22 April 2014. The Municipal Regulations on the Standard Chart of Accounts, Project Summary Document and Detailed Classification Framework of the 7 Segments (SCOA Version 5) can be accessed at: http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

Similarly to that of national and provincial government, the municipal SCOA essentially provides for a uniform and standardised financial classification framework by which municipalities are required, at a transactional level, to record all expenditure, revenue, assets and liabilities. While the overall objective and benefits of the municipal SCOA vary, the introduction of the municipal SCOA across all 278 municipalities will undoubtedly improve the ability of municipalities and councils to take informed decisions and improve service delivery outcomes through improved evidence based financial management. Importantly, it will also facilitate the aggregation of budgets and financial performance to ensure 'whole of government' reporting.

In preparation for SCOA implementation by all 278 municipalities by 01 July 2017, the National Treasury has commissioned SCOA Project Phase 4. SCOA Project Phase 4 incorporates various activities including the piloting of the SCOA classification framework in selected municipalities (across all financial systems currently operational in municipalities) with the implementation of the 2015/16 budget (01 July 2015). In addition, as a lead-up to the SCOA implementation by 01 July 2017, there will be a host of change management initiatives including the introduction of a formal training programme.

The selection of pilot municipalities have been finalised and forms part of the SCOA Integrated Consultative Forum. This is a stakeholder engagement forum that was established to oversee and assist stakeholders, vendors and municipalities with the transition to the SCOA classification framework and to date three meetings have taken place. Pilot sites should from 01 July 2015 implement the 2015/16 MTREF in accordance with SCOA classification framework and report accordingly. **Non-piloting municipalities are advised to start comparing their chart of accounts to SCOA in preparation for the implementation in July 2017.**

While non-piloting municipalities do not formally partake in the SCOA ICF, there are a host of immediate activities that need to be undertaken by all municipalities concurrently to the piloting process in preparation for implementation in July 2017. These include, among others:

- Tabling the Municipal Regulations on Standard Chart of Accounts in the municipal council to bring about broader awareness;
- Studying the Regulation, SCOA Project Document, associated Segments and Frequently Asked Questions which can be accessed at the above mentioned website;
- Compilation of a high level project plan and associated activities, including:

- ✓ Identification of a project manager / coordinator within the municipality which should preferably be within the finance department at a senior manager level;
- ✓ Matching the SCOA classification framework to the current chart of accounts (general ledger) currently operational in the municipality and the identification of any anomalies;
- ✓ Matching the Function Segment of the SCOA classification framework to the current vote and cost centre structures and identification of any anomalies;
- ✓ Incorporating all senior managers across the municipality into the project through internal awareness and information sharing;
- ✓ Incorporating the project plan and associated milestones as part of a standing agenda item at the monthly senior manager team meetings; and
- ✓ Tabling a progress report, including a risk matrix at the municipal council on a quarterly basis.

- Attendance of, among others, the provincial CFO Forums which will be used to provide feedback with the piloting process. In addition, there will be sessions scheduled, such as the recent provincial one day SCOA introductory sessions, which will provide further clarity as it relates to the SCOA classification framework. Attendance of these sessions by relevant officials, including the municipal SCOA project manager / coordinator, will be essential if the municipality is to proactively manage any hurdles to ensuring SCOA compliance.

The National Treasury is in the process of finalising a MFMA Circular that will specifically deal with guidance as it relates to the SCOA and SCOA Project Phase 4. The Circular will be released early in 2015 and all municipalities are urged to diligently study the Circular in preparation for full SCOA implementation.

In addition, all queries, clarty seeking questions, challenges and associated issues relevant to SCOA can be directed to the following email address: lgscoa@treasury.gov.za

Financial applications (systems) and the impact of SCOA

Municipalities are reminded that MFMA Circular No. 57 is still in effect and the guidance, processes and procedures provided in the Circular are still applicable. **Currently no system vendor (financial systems) could demonstrate SCOA compliance** and municipalities are therefore strongly advised not to proceed with any configuration or upgrades to their current core financial systems as this could potentially lead to fruitless and wasteful expenditure not to mention exposing the municipality to unnecessary risk as it relates to SCOA compliance. As indicated above, as part of SCOA Project Phase 4 all system vendors have been included in the piloting process and are currently undertaking reconfiguration and upgrades to their system functionality in support of the multidimensional chart as prescribed by the SCOA Regulations.

Only once the piloting process has been finalised will the National Treasury be in a position to issue a follow-up MFMA Circular to MFMA Circular No. 57. It is envisaged that the objectives of the piloting process will be finalised towards the end of the first quarter of the 2015/16 financial year subsequent to which the follow-up MFMA Circular will be issued.

Notwithstanding the abovementioned facts, municipalities continue to replace their current financial applications against the guidance supplied in MFMA Circular No. 57. While it is acknowledged that in some cases municipalities feel that limitations associated with their current financial system functionality is impeding overall performance improvements, municipalities are advised to proceed with the outmost caution. Municipalities should follow the procedures and processes as outlined in MFMA Circular No. 57 and attempt to keep any decisions relating to changing financial systems in abeyance until the finalisation of the piloting process. In the interim, the National Treasury is of the opinion that each case should be

managed based on the unique circumstances and challenges experienced by each municipality.

Furthermore, municipalities are advised that in many cases the implementation of the SCOA classification framework could be considered a reimplementation of a financial system as it relates to take on balances of previous financial years and setting up of a new general ledger. Consequently the opportune time to change financial applications would in most cases be with the implementation of the SCOA classification framework and will undoubtedly be the most cost efficient approach. Further guidance in this regard will be provided in the MFMA Circular that will be issued in early in 2015.

Headline inflation forecasts

Municipalities must take the following inflation forecasts into consideration when preparing their 2015/16 budgets and MTREF. This information will be updated in a further Budget Circular to be issued after the tabling of the National Budget.

Fiscal year	2014	2015	2016	2017	2018
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	6.2%	5.8%	5.5%	5.3%

Source: Medium Term Budget Policy Statement 2014

Revising rates, tariffs and other charges

Operating Revenue

Municipal revenues and cash flows are expected to remain under pressure in 2015/16 due to the state of the economy; therefore municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities should also pay particular attention to managing all revenue and cash streams effectively, by paying particular attention to their revenue management processes and procedures.

Municipalities are therefore required to realistically provide for revenue as part of the statement of financial performance, cash flow and capital programme.

Another challenge identified was that municipalities are not able to set cost-reflective tariffs as advised in previous circulars because the cost drivers are not known. Municipalities are advised to determine the costs per service in determining tariffs. The use of tariff models will not yield positive results in municipalities that do not know their cost drivers as would any financial model based on incorrect information.

When municipalities and municipal entities revise their rates, tariffs and other charges for the 2015/16 budgets and MTREFs, they need to take into account the primary and secondary costs of services provided, local economic conditions and affordability of services to ensure financial sustainability.

National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities ***must justify in their budget documentation all increases in excess of the 6.0 per cent*** upper boundary of the South African Reserve Bank's inflation target in the budget narratives.

Management accounting and tariff setting

A costing guideline will be issued to respond to the demand by local government practitioners for guidance and tools in the costing of services rendered to consumers. The guideline is informed by the outcome of a pilot study that was undertaken. It addresses the inability to produce consistent data by municipalities on the cost of rendering a trading service.

This process will assist practitioners to improve their understanding of the principles and techniques of cost allocation. The adopted methodology is based on a consistent approach across municipalities, functions and projects, and so allow for cost comparisons and benchmarking. In addition, the information will be critical for tariff setting not only across main trading services but also in ensuring transparency in revenue generated across consumer categories. The process will also assist municipalities to better understand their costs and the factors that have the greatest influence on these costs (i.e. the cost drivers).

The rationale and concepts explained in this guideline envisage the establishment of a shared understanding among the various roleplayers involved.

Interpretation of section 43 of the MFMA

The municipal electricity tariff increase is regulated in terms of the Municipal Finance Management Act (MFMA) and the Electricity Regulation Act (ERA). ERA empowers NERSA to determine electricity tariffs to be charged by municipalities on an annual basis. The MFMA prescribes the timelines within which NERSA must finalise the process of determining the municipal tariff for a financial year.

Section 43 of the MFMA deals with the applicability of tax and tariff capping on municipalities

Section 43 of the MFMA requires an organ of state (NERSA) to make a determination of the municipal tariff increase on or before 15 March in a year for the tariff to be effective in 1 July of that year. If the determination is done after 15 March in a year, such determination will take effect 1 July in the next year. For example, if NERSA advises a municipality of its tariff determination by 15 March 2015, the tariff determination by NERSA with respect to the municipal electricity tariffs will be effective from 1July 2015 but if NERSA fails to inform a municipality of its determination by 15 March 2015, the tariff determination by NERSA will only be effective from 1 July 2016. This implies that municipalities must submit their tariff applications before 15 March to enable NERSA to comply with the stipulated deadline (15 March).

Municipalities are also required in terms of section 16(2) of the MFMA to table the municipal budget in council no later than 31 March. The annual budget must be accompanied by amongst others draft resolution for imposing any municipal tax and setting any municipal tariffs as may be required for the budget year. The tabled municipal budget must be published for consultation with their local community and their views must be considered before the municipal council approves the budget.

With respect to electricity tariffs, NERSA determines the maximum tariffs that should be imposed by each municipality and they can be adjusted downwards depending on the circumstances of each municipality and resolution taken by the municipal council. A municipality may not charge a customer a higher tariff than that approved by NERSA. Therefore the determination made by NERSA should be used as a basis for consultation with local community and may be adjusted downward depending on the outcomes of the consultations. In cases where the outcomes of the consultations necessitate upward adjustment of the tariffs, a municipality should apply to NERSA for the review of the tariffs

through an appeal process which is provided for in the Electricity Regulation Act. This should also be done in time to ensure that the processes are finalised before the approval of budget by municipal council.

NERSA's process to approve electricity tariffs

Municipalities will submit tariff applications from December 2014 aligned with the requirements of section 43 of the MFMA and subsequently NERSA will endeavour to finalise and complete all municipal tariff applications by 15 March 2015.

NERSA held workshops and one-on-one interactions with municipalities per province in order to assist municipalities with the completion of the D-forms. This process ran parallel with the submission of the D-forms. Municipalities are urged to ensure that correct and accurate information is submitted timeously to NERSA in order to ensure that proper analysis is done, and approval of tariff applications is achieved timeously.

In this regard municipalities are reminded to submit all outstanding D-forms to NERSA as a matter of urgency as the deadline for submission was 31 October 2014. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms. It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs are finalised before 30 June 2015.

Eskom bulk tariff increases

Municipalities are advised to structure their 2015/16 electricity tariffs based on the **12.69 per cent** guideline and provide for a **14.24 per cent** increase in the cost of bulk purchases for the tabled 2015/16 budgets and MTREF. Any changes to these guidelines will be communicated to municipalities in a further Budget Circular for the 2015/16 financial year to be issued shortly after the tabling of the National Budget.

National Treasury supports the use of the following formula, proposed by NERSA, for calculating municipal electricity tariff increases:

$$MG = (B \times BPI) + (S \times SI) + (R \times RI) + (C \times CCI) + (OC \times OCI)$$

Where:

MG = % Municipal Guideline Increase
B = % Bulk purchases
BPI = % Bulk purchase increase
S = % Salaries
SI = % Salaries increase
R = % Repairs
RI = % Repairs increase
C = % Capital charges
CCI = % Capital charges increase
OC = % Other costs
OCI = % Other costs increase

All cost shares and increases must relate to the electricity function of the municipality

The formula for calculating the guideline:
MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)
= (73 x 14.24) + (10 x 7.3) + (6 x 6.3) + (4 x 6.3) + (7 x 6.3)
= 10.40 + 0.73 + 0.38 + 0.25 + 0.54
= 12.20%

Municipalities are urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

Where a municipality's evaluation of its cost structure results in a lower or higher tariff increase to that proposed by NERSA, the municipality must structure its tariffs accordingly and ensure it provides the necessary motivation and information in its tariff application to NERSA. Municipalities must refer to NERSA's 'Consultation paper for municipal tariff guideline benchmarks for 2015/16 financial year' for requirements on approving tariffs above the guideline, which can be accessed at www.nersa.org.za.

Water and sanitation tariffs must be cost-reflective

If a municipality's water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. ***As per the guidance in various previous Budget Circulars, municipalities were expected to apply cost reflective tariffs in the 2014/15 MTREF for both water and sanitation***. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

Funding choices and management issues

Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 31 June 2015 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, municipalities are advised to budget for a 5.8 per cent cost-of-living increase adjustment to be implemented with effect from 01 July 2015 (in line with the increase proposed in the 2014 MTBPS). Municipalities must further use the inflation forecast to project increases in the outer years.

General –Expenditure (Cost-containment measures and non-priority spending)

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2015 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment. Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation.

Related to cost-containment measures is the elimination of non-priority spending. The National Treasury has continuously through circulars provided advice to municipalities to eliminate non-priority spending. It was noted that there are municipalities that continue to excessively sponsor music festivals and arts festivals. With the implementation of cost-containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential activities. Municipalities are urged to refer to MFMA Circular 70 on examples of non-priority expenditure that must be eliminated.

The use of consultants

The National Treasury (Office of the Chief Procurement Officer) has observed that many municipalities make use of consultants and other service providers in the course of daily operations. Owing to the fact that that there are no standardised tariffs and rates currently regulated as it relates to professional service providers and consultants, many municipalities are charged exorbitant fees for such services.

The response received from municipalities on the VAT reconciliation questionnaire indicates that most municipalities use consultants to review and submit these returns to the South African Revenue Services (SARS). Municipalities are advised to refrain from the use of consultants and other service providers in completing or reviewing their VAT returns. It is the responsibility of the Chief Financial Officer to review the VAT returns.

Budgeting for unfunded/ underfunded mandates

In previous budget years, it was noted that a number of municipalities are budgeting for unfunded/underfunded mandates. The South African Cities Network (SACN, 2007:78) defines an unfunded/underfunded mandate as when municipalities perform the functions of other spheres of govemment and bear significant costs out of their own revenue sources. These unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is being allocated to non-core functions at the expense of basic service delivery.

One of the main objectives of local government is to ensure the provision of basic services to communities. Section 153 of the Constitution requires that budgeting processes must prioritise the basic needs of the community. Municipalities must therefore prioritise the provision of basic services such as electricity, water, sanitation and refuse removal in their MTREF budgets. Municipality may only budget for non-core functions such as crèches, sports fields, libraries, museums, health services, etc. if:

- The function is listed in Schedule 4B and 5B of the Constitution;
- The function is assigned to municipality in terms of national and provincial legislation;
- The municipality has prioritised the provision of basic services; and
- It does not jeopardise the financial viability of the municipality.

Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government. However it will not constitute an unfunded / underfunded mandate if the municipality provides services beyond what is stipulated in the service level agreement.

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget allocation* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects

are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).

3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional Grant transfers to municipalities

As indicated above, National Treasury will issue a further Budget Circular for the 2015/16 financial year shortly after the tabling of the National Budget. This Circular will deal with any new conditional grant issues and processes related to the management of conditional grants.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.

2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities.*** To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants* – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:
http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

Since 01 July 2009, all municipalities and municipal entities must prepare their annual budgets, adjustments budgets and in-year reports for the 2015/16 financial year in accordance

with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in Schedules A, B and C; and
- The relevant attachments to each of the Schedules (the Excel Formats).

If a municipality fails to prepare its budget, adjustments budget and in-year reports in accordance with the relevant formats,

- The municipality will be required to resubmit their documentation in the regulated format by a date determined by the National Treasury;
- The municipality's non-compliance with the required formats will be reported to the Auditor-General; and
- A list of municipalities that fail to comply with the required formats will be tabled in Parliament and the provincial legislatures.

Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5044	Templeton.Phogole@treasury.gov.za
	Matjatji Mashoeshoe	012-315 6567	Matjatji Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa	012-315 5539	Vincent.Malepa@treasury.gov.za
	Katlego Mabiletsa	012-395 6742	Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
	Walter Munyai	012-395 6793	Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012-315 5174	Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan	012-315 5101	Sadesh.Ramjathan@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Mlungisi Mthembu	012-395 6554	Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

Addressing gaps identified in municipalities budgets

It is the sixth year of the implementation of the Municipal Budget and Reporting Regulations and it is acknowledged that there is improvement in the number of municipalities complying with the required formats. However the quality of data contained in the A schedules and

supporting table is still a challenge. Municipalities should consider the following when compiling the 2015/16 MTREF budgets:

Budgeting for revenue on Table A2

Municipalities must include capital transfers and contributions in total operating revenue budgeted for on table A2. The total revenue will reconcile to operating revenue plus capital transfers and contributions as on table A4.

Budgeting for Asset Register value on Table A9

The total asset register summary – PPE (WDV) must include the capital budget expenditure for the budget year. e.g. 2015/16 total asset register summary should include the capital expenditure for 2015/16. Municipalities must ensure that the capital expenditure aligns to Table a5.

Completion of service delivery information on Table A10

It was observed that the completion of table A10 is still a challenge to most municipalities. During the assessment of the 2014/15 MTREF, it was observed that the table lacked credibility and municipalities were requested to make amendments and resubmit.

Municipalities must ensure that the table is correctly completed and accurate to depict their actual position. The information on the cost of providing free basic services and the revenue cost of providing services must be completed. In completing table A10 care must be given to the required unit of measure i.e. kilolitres, kilowatt-hour etc.

Budgeting for revenue foregone and free basic services to indigents

Regardless of the guidance provided on MFMA Circular 51 in relation to budgeting for revenue foregone, it was evident during the 2014/15 budget assessment process that municipalities are struggling to distinguish between revenue foregone and transfers and grants expenditure on table A4.

The key concept in determining the difference between revenue foregone and grants expenditure, is that a rates rebate that is 'generally available to all' is in practice an adjustment to the rates tariff. Therefore, the revenue was never there to be collected (the revenue was foregone), and should therefore not be considered to be revenue in the first instance. This is why it is deducted on Table SA1 - and the net amount is reflected on Table A4.

The provision of free basic services to the indigents must be budgeted for as non-cash flow grant expenditure on Table A4 supported by Table SA21. Since the municipality will not collect any revenue from indigents and free basic services to indigents are funded through the Equitable Share, this constitutes grant expenditure.

Tabling funded budgets

In MFMA Circular no. 72 it was highlighted that municipalities must budget for a surplus operating budget. National Treasury received enquiries from municipalities highlighting that the circular is in contradiction with MFMA Circular no. 55 which referred to budgeting for operating deficit. It should be noted that MFMA Circular no. 55 encouraged municipalities to budget for a moderate surplus on its Financial Performance Budget so as to be able to contribute to the funding of the Capital Budget. When the circular was issued, it was highlighted that there may be temporary circumstances that make this difficult; for instance the

implementation of GRAP 17, which may result in increased 'depreciation and asset impairment' that is not fully accommodated in the municipality's tariffs and as a result drives the operating budget into deficit.

MFMA Circular no. 59 was accordingly issued during March 2012, whereby table SA1 was amended to include under the detail of 'depreciation and asset impairment' 'depreciation resulting from the revaluation of PPE'. The effect is that the depreciation resulting from the revaluation of PPE will be deducted from the total depreciation on PPE, resulting in only the depreciation on the cost price being reflected in the statement of financial performance as an expense. Therefore, if the municipality's operating budget shows a deficit it is indicative that there are financial imbalances that need to be addressed. These problems may be related to a failure to collect revenues, tariffs that are too low or expenditures that are too high. The municipality needs to put in place appropriate strategies to address the problems causing a deficit, and explain these measures in its budget document.

It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not:

- *Table A7 Budgeted Cash Flows* shows how the municipality's operations are expected to impact on its cash position. If a municipality's cash position at year end is negative it is a strong indication that the overall budget is not funded; and
- Table A8 Cash-backed reserves / accumulated surplus reconciliation shows whether the municipality has sufficient cash and investments available to finance commitments and short term provisions and reserves. If the net results reflect a shortfall, this is an indication that the budget is not funded.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.
2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).

Budget process and submissions for the 2015/16 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. The deadline for such submissions is Friday, **10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2015, the date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com and inform the National Treasury official responsible for your province that the budget was submitted to this address to ensure that National Treasury is aware of your submission. Any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

After receiving tabled budgets, National Treasury will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate

improvements in the quality of tabled and approved budgets. Please review the municipality's previous year performance and ensure that the gaps are addressed.

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) approved by council on 31 May 2015 to Yasmin.coovadia@treasury.gov.za.

Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

Reporting in terms of section 71

Performance reporting template – all 278 municipalities must complete the quarterly SDBIP performance reports on the prescribed template as circulated with the request to verify the S71 quarterly reports and submit to lgdocuments@treasury.gov.za as it forms part of quarterly reporting.

Unbundling of debt – the debtors age analysis return makes provision for municipalities to select the category of the government department owing them. However municipalities capture the figures without selecting the relevant government department when completing the return. As the database stores the figures against a department, these unidentified departmental figures can therefore not be stored which results in discrepancies on the amount owed by individual government departments when compared to the total.

Municipalities must ensure that all figures are captured against a selected national or provincial department on the Age Debtors Analysis for Government (ADG) worksheet and are balanced.

Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
12 December 2014

Annexure A – Changes to Schedule A1 – the 'Excel formats'

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula	Ensure that funding and expenditure balances
2	A6	Insertion of a validity check formula	Ensure that net assets and total community wealth balances
3	A7	Insertion of receipts from property rates and service charges line items Insertion of formulae linking A7 to SA30 for the MTREF.	Simplification of data gathering for determining the collection rate from main services
4	A10	Insertion of new footnote	Improve reporting of services provided including informal settlements

NATIONAL TREASURY

MFMA Circular No. 75

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars, and specifically MFMA Circular No. 74.

CONTENTS

1. KEY FOCUS AREAS FOR THE 2015/16 BUDGET PROCESS 3
   1.1 The Medium Term Budget Review 2015 3
2. DIVISION OF REVENUE BILL 2015 3
   2.1 Transfers to local government 2015 3
   2.2 Changes in the 2015 Division of Revenue Bill 4
   2.3 Shaping urban development to support growth in cities 5
3. HEADLINE INFLATION FORECASTS 6
4. REVISING RATES, TARIFFS AND OTHER CHARGES 6
   4.1 Eskom bulk tariff increases 6
   4.2 Electricity levy increase 6
5. FUNDING CHOICES AND MANAGEMENT ISSUES 7
   5.1 Employee related costs 7
   5.2 Remuneration of councillors 7
   5.3 Budgeting for contingency plans for prolonged power outages 7
   5.4 Service level standards 7
   5.5 Non-payment of Eskom and water boards as creditors 7
   5.6 VAT on Conditional Grants 8
6. MSCOA TRAINING 8
   6.1 Non-accredited training 8
   6.2 Accredited training 9
   6.3 mSCOA training provided by service providers 9
7. CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES 9
   7.1 Timing of municipal conditional grant transfers 11
   7.2 Payment schedule for transfers 11
   7.3 Provincial allocations and payment schedules 11
   7.4 Relationship between Category C and Category B municipalities 12
   7.5 Responsibilities of transferring and receiving authorities 13
   7.6 Criteria for the rollover of conditional grant funds 13
   7.7 Unspent conditional grant funds for 2014/15 14
   7.8 Appropriation statement (Reconciliation: Budget and in-year performance) 15
   7.9 Reporting and accounting for municipal apprdved conditional grant roll-overs 15
8. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS 15
   8.1 Assistance with the compilation of budgets 16
   8.2 Benchmarking process 17
   8.3 The difference between the collection rate on table SA8 and SA10 17
9. BUDGET PROCESS AND SUBMISSIONS FOR THE 2015/16 MTREF 17
   9.1 Tabling of the MFMA budget circular in municipal council 17
   9.2 Submitting budget documentation and schedules for 2015/16 MTREF 17
   9.3 Budget reform returns to the Local Government Database for publication 19
   9.4 Publication of budgets on municipal websites 19

ANNEXURE A – CHANGES TO SCHEDULE A1 – THE 'EXCEL FORMATS' **20**

ANNEXURE B – PREVIOUS MFMA CIRCULARS **21**

BUDGET MANAGEMENT ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 21

CONDITIONAL GRANT ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 22

MBRR ISSUES DEALT WITH IN PREVIOUS MFMA CIRCULARS 22

1. Key focus areas for the 2015/16 budget process

1.1 The Medium Term Budget Review 2015

The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies. South Africa's gross domestic product (GDP) forecast for 2015 has also been revised down. The National Treasury projects GDP growth of 2 per cent in 2015, rising to 3 per cent by 2017. Average growth over the forecast period is 0.4 percentage points lower than at the time of the 2014 *Medium Term Budget Policy Statement*. Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

The slowdown in economic growth since 2012 has highlighted structural constraints in the domestic economy. Achieving faster sustainable growth and large-scale job creation will require structural shifts in the economy, stronger supply-side value chains, higher exports, moderation in wage increases and, crucially, growing private-sector investment based on confidence in the long-term business environment.

The 2015 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to the priorities of the NDP and the MTSF. Initiatives under way include: large public-sector infrastructure investments in electricity and transport; expanded partnerships to encourage private investment; better cooperation between government, the private sector, trade unions and civil society; incentives to attract new entrants in the economy; special economic zones to boost exports; programmes to reshape the urban spatial landscape; and programmes to improve the quality of education and skills development.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost.

2. Division of Revenue Bill 2015

2.1 Transfers to local government 2015

Over the 2015 MTEF period, R313.7 billion will be transferred directly to local government and a further R31.9 billion has been allocated to indirect grants. Direct transfers to local government in 2015/16 account for 9.1 per cent of national government's non-interest expenditure, and when indirect transfers are added, total spending on local government increases to 10 per cent of national non-interest expenditure.

The 2015 Budget Review and the Division of Revenue Bill provides for no reductions to the baseline of the local government equitable share in order to protect funding for free basic services. The baseline allocation for local government conditional grants, however, has been reduced in the 2015 Budget as part of the fiscal adjustment announced in the 2014 *Medium Term Budget Policy Statement*. The reductions in 2015/16 range between 0.9 per cent and 5.5 per cent of the allocation for each grant, with larger reductions on slow-spending and non-infrastructure grants. In order to maintain planned outputs and ease the impact of reductions, grant administrators and municipalities need to spend funds efficiently and effectively and alleviate any unnecessary (non-priority) spending.

The allocations for priority grants such as the *integrated national electrification programme (INEP) grant* and the *municipal water infrastructure (MWIG) grant* will grow significantly. Over the MTEF, the INEP grant grows at an average annual rate of 14.9 per cent and the MWIG at an average of 52.2 per cent, including both direct and indirect grant allocations. An addition of R2.4 billion has been made to the MWIG and the *regional bulk infrastructure grant* over the MTEF period to accelerate the provision of basic water supply to all households and improve the state of water services infrastructure nationwide.

A new grant has also been introduced to subsidise the costs of municipalities that will be merged before the 2016 local government elections as a result of demarcation changes. This grant is allocated R139 million over the MTEF specifically for municipalities that will be impacted by the changes in KwaZulu-Natal and Gauteng. The effect of further changes to demarcations proposed by the Minister of Cooperative Governance and Traditional Affairs and currently being considered by the Municipal Demarcation Board (MDB) will be considered as part of the 2016 budget process for any changes that are approved by the MDB. Municipalities should therefore not budget for the proposed changes in 2015/16.

The 2015 Budget document is available on the National Treasury website at:

http://www.treasury.gov.za/documents/national%20budget/2015

In addition, National Treasury will send out allocation letters informing each municipality of its equitable share, national conditional grants and provincial transfers (as reflected in the relevant provincial budget and gazette).

Municipalities must ensure that their tabled budgets reflect the equitable share and conditional grant allocations set out in the 2015 Division of Revenue Bill.

2.2 Changes in the 2015 Division of Revenue Bill

Review of local government infrastructure grants

The collaborative review of the local government infrastructure grant system led by the National Treasury is still underway. The first phase of the review, completed in 2014, identified two necessary reforms that will be made in 2015/16:

- The rules in the *municipal infrastructure grant* will be amended to allow funds to be used to refurbish and replace infrastructure, but only if municipalities demonstrate that assets have been maintained on a regular basis. Maintenance must be budgeted for as part of the normal business of municipalities.

- The number of conditional grants will be reduced to ease the burden of grant reporting. The two public transport grants will merge in 2015/16 into a single *public transport network grant*. The number of water and sanitation grants is also likely to be reduced from 2016/17.

Further changes to local government infrastructure grants will be announced in the 2015 MTBPS. In preparing for 2016/17 grant allocations, municipalities are advised to continue preparing business plans and project plans for the existing grants as there will be a phase-in period for any changes to the grant system.

The *local government financial management grant (FMG)* and the *municipal systems improvement grant (MSIG)* provides funds for the implementation of the Municipal Standard Chart of Accounts (mSCOA).

Other changes to local government allocations are more technical and reflect the shift of funds between direct and indirect grants, and the impact of the national macro-organisation of the state that followed the 2014 national elections. For example, the sanitation function, including all sanitation-related grants, has shifted from the Department of Human Settlements to the Department of Water and Sanitation.

2.3 Shaping urban development to support growth in cities

South Africa's cities continue to reflect the spatial legacy of apartheid, which impedes economic growth. Cities must play a leading role in driving urban investment programmes, including a pro-active role in introducing new financing arrangements. Over the next three years, government will expand investment in the urban built environment, using resources more effectively to transform human settlements, and drawing in private investment to support more dynamic and inclusive economic growth. The 2015 Budget inaugurates a fundamental realignment in achieving these goals.

The National Treasury will introduce a new fiscal package to help large cities to mobilise the resources necessary to implement strategic investment projects. All participating metros are expected to make measurable commitments to good governance, and effective revenue and expenditure management. The new package includes:

- Modifying the infrastructure grant system to support greater alignment of public resources and to ensure that public investments, services, regulations and incentives are focussed in defined spatial areas (integration zones) to optimise overall access, connectivity and efficiency enabling spatial transformation and inclusive urban economic growth;

- Development of mixed-use and mixed-income precincts and catalytic projects to attract private financial and implementation partnerships. Grants will be consolidated, conditions streamlined, and allocations made more predictable and responsive to the needs of specific investment projects. Furthermore, performance-based allocations to reward cities that demonstrate progressive changes in their urban form, improve access to basic services, reduce barriers to social and economic opportunity, and improve mobility of urban residents will be strengthened;

- Focusing the Neighbourhood Development Partnership Grant to support the identification, development and management of strategic nodes in dense urban townships and township clusters in order to serve as transit orientated precincts;

- Reforming the system of development charges to improve faimess and transparency, and reduce delays in infrastructure provision for private land developments;

- Expanding opportunities for private investment in municipal infrastructure through the Development Bank of Southern Africa (DBSA) increasing its origination of longer-term loans, packaging pooled finance instruments, where appropriate, and supporting the introduction of new lending instruments such as revenue bonds; and

- Reviewing the sustainability of existing own-revenue sources for metropolitan municipalities, particularly in light of their expanding responsibilities in public transport and human settlements.

Metropolitan municipalities should announce further details on their investment plans when they table their 2015/16 budget. Furthermore, cities need to improve their collection of own revenue as a greater share of capital investment needs to come from own generated revenue, in partnership with the private sector.

3. Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2015/16 budgets and MTREF.

Fiscal year	2014	2015	2016	2017	2018
	Actual	Estimate		Forecast	
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source Budget Review 2015

Note the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation

4. Revising rates, tariffs and other charges

4.1 Eskom bulk tariff increases

On the 29 January 2015, NERSA approved and published guidelines on municipal electricity price increase for the 2015/16 financial year. A guideline increase of **12.20 per cent** has been approved based on the following assumptions:

- Bulk purchases have increased by 14.24 per cent in line with Eskom's electricity tariff increase to municipalities;
- A consumer price index (CPI) of 6.3 per cent as indicated in the Medium Term Budget Policy Statement (MTBPS) 2014;
- Salary and wage increases; and
- Repairs and maintenance, capital charges and other costs have increased by the CPI.

It should be noted that the guideline is not an automatic increase in tariffs. Therefore all municipalities with distribution licenses are still required to apply to NERSA for the approval of their tariffs.

4.2 Electricity levy increase

During his budget speech on 25 February 2015, the Minister of Finance announced that the electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity levy. In the interim municipalities are advised to use the guideline issued by NERSA to set their tariffs for the 2015/16 financial year.

5. Funding choices and management issues

5.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- *2015/16 Financial Year – 4.4 per cent (inflation linked)*
- *2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent*

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

5.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published by the Department of Cooperative Governance and Traditional Affairs. The gazette for 2015 will be released in due course. Municipalities are advised to refer to the circular issued on 23 January 2015 by the Department of Cooperative Governance and Traditional Affairs.

5.3 Budgeting for contingency plans for prolonged power outages

Municipalities have indicated that they are in the process of implementing contingency plans to address Eskom power outages such as the procurement of generators and indicated the need for funding from national government. The government is collectively working with Eskom to mitigate the impact of power cuts. These efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that South Africa can generate sufficient energy to power its economy over the long term. The government therefore consistently encourages a reduction in energy consumption and promotion of energy efficiency.

Consequently the response from government is to address the immediate challenge and it would therefore be premature for municipalities to invest in contingency infrastructure with the expectation of funding.

5.4 Service level standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the 2015/16 tabled MTREF budget documentation. The service level standards need to be tabled before the municipal council for formal adoption. A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards. The outline can be accessed by clicking **HERE**.

It is acknowledged that it is not possible to have the same service level standards across all municipalities. Therefore the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances. Municipalities should also refer to other guidelines issued by other institutions available on the link indicated above.

5.5 Non-payment of Eskom and water boards as creditors

Section 65(2)(e) of the Municipal Finance Management Act, 2003 (MFMA, Act No. 56 of 2003) clearly states that "The accounting officer of a municipality is responsible for the management

of the expenditure of the municipality" and "that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

It has become a common trend between certain municipalities that outstanding debt to Eskom and the water boards is not prioritised for payment. ***Municipalities are cautioned that if they do not immediately settle the current accounts of Eskom and the water boards, the March 2015 tranche of the Equitable Share will be withheld.*** In addition, the payment arrangements to address arrear amounts must be concluded by relevant municipalities, implemented and effected in the budget.

Furthermore, going forward municipalities will be closely monitored and those found to be averting payment to Eskom and the water boards will be deemed as contravening the MFMA and consequently section 216(2) of the Constitution will be imposed.

Municipalities are also reminded of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, which the Minister of Finance promulgated on 31 May 2014. Failure by the Accounting Officer to comply with the requirements of section 65(2)(e) of the MFMA is an act of financial misconduct as defined in section 171 of the MFMA and municipalities is obliged to deal with such breach in terms of the regulations mentioned above.

5.6 VAT on Conditional Grants

Guideline was provided in MFMA Circular No. 58 that ALL conditional grant allocations in the Division of Revenue Act (DoRA) are VAT inclusive, i.e. national government has budgeted to pay the VAT inclusive price of the goods and services purchased by municipalities using conditional grant funding. Further guidelines were issued in MFMA Circular No. 59 on assessing VAT consequences of transactions involving the equitable share grant and conditional grants.

It is critical that municipalities distinguish between the following:

- *Transaction one – the transfer of funds from national or provincial government to a municipality.* The VAT on these transactions is zero-rated, and therefore the issue of paying and reclaiming VAT related to these transactions does not arise.

- *Transaction two – the expenditure of the grant funds by the municipality.* These transactions are subject to the normal VAT provisions. Depending on the nature of goods and services purchased the municipality may or may not be required to pay input VAT.

Municipalities are still advised to follow the guideline provided in the above-mentioned circulars as the position has not changed. Further reference should also be made to the **VAT 419 Guideline for Municipalities**.

6. mSCOA Training

6.1 Non-accredited training

The National Treasury will embark on non-accredited training for pilot municipalities during April and May 2015 as per the dates in the table below. Please note that this training is only for pilot municipalities, applicable vendors and provincial treasuries. The training will be on a nomination and invitational basis.

Province	Dates

KwaZulu-Natal	14-15 April 2015
Limpopo	
Mpumalanga	
Free State	
Northern Cape	
Eastern Cape	21-22 April 2015
Western Cape	
Gauteng	5 – 6 May 2015
North West	

Non- accredited training will be provided to the metropolitan municipalities in 2 sessions on 05 and 06 May 2015. This training is intended to provide piloting stakeholders with a broader understanding of the mSCOA classification framework, typical transactional environment and linkage to reporting as part of the piloting output.

6.2 Accredited training

The National Treasury is in the process of developing the necessary unit standards for municipal SCOA (mSCOA). These unit standards will be accredited by LGSETA during the 2015 calendar year. National Treasury will develop unit standards aligned training material that will be accredited by LGSETA to be rolled out to all municipalities from the beginning of the 2016 calendar year.

National Treasury will also embark on a process of accreditation of service providers and more particularly facilitators and assessors to be able to roll out the unit standard aligned training from the beginning of the 2016 calendar year and guidelines in this regard will be issued towards the end of 2015.

6.3 mSCOA training provided by service providers

National Treasury is aware of the need to train all municipalities on mSCOA within a tight timeline to ensure that municipalities are in the position to be mSCOA compliant by 01 July 2017. On the same token National Treasury is aware of service providers engaging with municipalities that are offering mSCOA training. **Municipalities need to take note that currently there is no formal unit standard and no service provider can offer accredited training as it relates to the mSCOA. Consequently, municipalities are advised to refrain from entering into agreements with training service providers as it would constitute fruitless and wasteful expenditure.**

It is however acknowledged that there exists a need for broader mSCOA awareness and municipalities are advised to directly contact the National Treasury and respective Provincial Treasury to facilitate and consider these requests. Service providers that are approached to facilitate such awareness sessions should also directly liaise with the National Treasury. Municipalities are reminded to adhere to the supply chain management requirements at all times. In this regard municipalities are informed that there are limited specialists in this field at this point in time.

Please note that the current material available on the National Treasury's website (One day training – Demystify mSCOA) is available for use by all parties and no service provider is allowed to charge any fee for this material.

7. Conditional Grant Transfers to Municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual DoRA to assist them in exercising their powers and

performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Furthermore, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes
Schedule 7	Part A	Allocations to provinces for immediate disaster response
	Part B	Allocations to municipalities for immediate disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to provide for transfers from national or provincial departments that are not gazetted in terms of the 2015 Division of Revenue Act (once enacted) or the relevant provincial budget, or for which a properly approved agency agreement is not in place. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 (Budgeted Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 (Budgeted Financial Performance) by the local municipality, and from there directly on Table A6 (Budgeted Financial Position).

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2015 Division of Revenue Bill provides that –

1. In terms of section 16, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 30, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 29, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2015 Division of Revenue Act being signed into law at the following address:

http://www.treasury.gov.za/legislation/bills/2015/Default.aspx

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities.

This will be available at:
http://mfma.treasury.gov.za/Media_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx

7.1 Timing of municipal conditional grant transfers

In order to facilitate synchronisation of the national / provincial financial year (01 April to 31 March) with the municipal financial year (01 July to 30 June), the 2015 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 01 July 2015 to 31 March 2016. Municipalities must not accept any equitable share or Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer grant funds and to only make agency payments to municipalities within the period 01 July 2015 to 31 March 2016. This is to ensure the municipality is able to include such funds on its budget for 2015/16 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

7.2 Payment schedule for transfers

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure that appropriate safety checks are put in place.

Section 23 of the 2015 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, if the payment *details of the municipality are not up-to-date the transfers will also be rejected.*

7.3 Provincial allocations and payment schedules

Provincial Treasuries must publish in a gazette all provincial allocations envisaged to be transferred to municipalities and submit the gazette to National Treasury on a date not later than 14 days after the Division of Revenue Act has been enacted.

Provinces must also submit to the National Treasury the payment schedule against all provincial allocations to municipalities 14 days after the Act takes effect. The payment schedule must include the date of transfer, the amount and the name of the grant. The

Provincial Treasuries must notify the receiving officers of any deviations from the payment schedule. The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 30(5) of the 2015 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

7.4 Relationship between Category C and Category B municipalities

The Division of Revenue Bill (DoRB) provides that the revenues raised nationally in respect of the 2015/16 financial year must be divided among the national, provincial and local spheres of government. Furthermore, section 29 of the DoRB states that category C municipality must, within 10 days after the Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the MFMA, for the 2015/16 financial year.

Transfers are always made to the municipality (district or local) authorised to perform a function. In cases where basic services functions are assigned to district municipalities National Treasury publishes, for information purposes, the amounts that would have been allocated to each local municipality through the formulas for the local government equitable share and municipal infrastructure grant if local municipalities were assigned these basic services functions. These amounts are published in Appendix W1 and Appendix W2 to the 2015 Division of Revenue Bill (see pages 271-284 of the Bill).

The budget of a category C municipality must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. The following practical arrangement will apply:

Step 1: District Municipality (category C municipality) must when tabling their budgets indicate which municipalities within their area of jurisdiction will receive allocations from the municipality;

Step 2: After the DoRA takes effect the District Municipality must within 10 days submit the tabled budget that contains allocations to be made to category B municipalities;

Step 3: The District Municipality must share with the municipalities within its jurisdiction how much is allocated to them, what criteria was used to make allocations and agree with the affected municipalities on how the monies are going to be disbursed. The disbursement schedule (payment schedule) must be sent to National Treasury and respective Provincial Treasury before the beginning of the municipal financial year;

Step 4: The District Municipality, having the authority to provide municipal services, must before implementing any capital project consult with the category B municipality affected and agree in writing through a Service Level Agreement (SLA) who will be responsible for operational costs and collection of rates; and

Step 5: District Municipality must make transfers to their local municipalities according to the agreed upon payment schedule.

National Treasury may withhold or stop any funding allocated to a category C municipality and reallocate it to a category B municipality if the category C municipality fails to:

i) make allocations to their respective municipalities within their jurisdiction;
ii) reach an agreement with the category B municipality; and
iii) submit the payment schedule to National Treasury and respective Provincial Treasury.

7.5 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2015 DoRB are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual DoRA is the responsibility of the municipal manager as the "receiving officer". The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the DoRA. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act in this regard will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

7.6 Criteria for the rollover of conditional grant funds

Section 22 of the 2014 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2014 of DoRA. The letter must be signed by the accounting officer;
2. List of all the projects that are linked to the unspent conditional grants and indicate how much was allocated and spent per project;
3. Evidence that work on each of the projects has commenced, namely either of the following:
    a. Proof that the project tender was published and the period for tender submissions closed before 31 March; or
    b. Proof that a contractor or service provider was appointed for delivery of the project before 30 June.
4. A progress report (also in percentages) on the state of implementation of each of the projects;
5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. Reasons why the grants were not fully spent in the year that it was originally allocated as per the DoRA;
7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
8. An indication of the time-period within which the funds are to be spent; and
9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed. ***No rollover requests will be considered for municipalities with vacant or acting chief financial officers and Municipal Managers for a period exceeding 4 months.***

If any of the above information is not provided or the application is received by National Treasury after 31 August 2015, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 31 August 2015;
3. Accurate disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements;
4. Under no circumstance would the National Treasury approve the entire allocation of the municipality i.e. The municipality must spend a minimum of 50 per cent of the allocation per programme;
5. Cash available in the bank as at 30 June 2015 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted for municipalities requesting roll over of the same grant for the 3rd consecutive time; and
7. Incorporation of the Appropriation Statement (discussed in point 6.7 below) as part of the pre-audit Annual Financial Statements.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements which must be concluded by 31 August 2015.

Similar to the above mentioned rollover process and in accordance with section 22(3)(b) of Division of Revenue Act, provincial treasuries are encouraged to institute measures and criteria for the rollover of conditional grant funds that municipalities receive from provincial departments. Refer to MFMA Budget Circular No.51 for more information.

7.7 Unspent conditional grant funds for 2014/15

The process to ensure the return of unspent conditional grants for the 2014/15 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply –

Step 1: Municipalities must submit their June 2015 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditures reported to both National Treasury and national transferring officers are the same.

Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2015. These amounts MUST exclude all interest earned on conditional grants, retention and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the DoRA 2014 that the funds are committed to identifiable projects or wants to propose an alternative payment method or schedule, the required information must be submitted to National Treasury by 31 August 2015. ***National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.***

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on the evidence that the funds are committed to identifiable projects by **02 October 2015** or whether it has agreed to any alternative payment arrangement or schedules.

Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment agreement with National Treasury to the National Revenue Fund by **23 October 2015**. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the DoRA.

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 23 October 2015 will be offset against the municipality's November 2015 equitable share allocation unless the municipality has agreed to an alternative payment arrangement or schedule.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

7.8 Appropriation statement (Reconciliation: Budget and in-year performance)

In terms of GRAP 24 (Presentation of budget information in AFS) municipalities are required to present their original and adjusted budgets against the actual outcome in the annual financial statements; this is considered an appropriation statement. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement. All municipalities were required to compile an appropriation statement with the 2012/13 AFS.

Many municipalities neglected to compile the appropriation as part of their 2012/13 AFS. National Treasury considers this non-compliance in a serious light and going forward the incorporation of an appropriation statement in the AFS will form part of the ***evaluation criteria in considering and approving conditional grant rollovers. In the absence of an appropriation statement National Treasury will not consider conditional grant roll over applications.***

7.9 Reporting and accounting for municipal approved conditional grant roll-overs

All reporting on rollover approvals must be reported to respective treasuries, national transferring officers and provincial departments responsible for monitoring the conditional grants.

A municipality must report separately on the spending of approved conditional grant roll overs. National Treasury will provide a separate reporting template to facilitate this. This template must be submitted together with the normal in-year template for reporting conditional grant spending for the year. The template is customised per municipality and must be requested by e-mail: lgdataqueries@treasury.gov.za.

8. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by

facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

Municipalities are required to submit their budget related electronic returns to lgdatabase@treasury.gov.za for both the draft budget and the final adopted budget. This will assist the National and Provincial Treasuries with the benchmark process.

8.1 Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5044	Templeton.Phogole@treasury.gov.za
	Matjatji Mashoeshoe	012-315 6567	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa	012-315 5539	Vincent.Malepa@treasury.gov.za
	Katlego Mabiletsa	012-395 6742	Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
	Walter Munyai	012-395 6793	Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012 315 5174	Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan	012-315 5101	Sadesh.Ramjathan@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Mlungisi Mthembu	012-395 6554	Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations. The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded that they need to produce consolidated budgets and in-year reports for both the parent entity and entity in that they need to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

8.2 Benchmarking process

National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2015 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are required to table the reports and recommendations provided by the respective treasury in Council and submit a copy of the council resolution in this regard to National Treasury and the respective Provincial Treasury.

8.3 The difference between the collection rate on table SA8 and SA10

The collection rate (cash receipts % of ratepayer & other revenue) on table SA10 - Funding measurement, is a cash collection rate calculated on operating revenue at the rate at which funds are 'collected'. This measure is intended to analyse an underlying conservative assumed collection rate; i.e. how much cash is expected to be collected from property rates, service charges and other revenue (excluding grants and interest earned).

The collection rate (cash receipts % of ratepayer & service charges) on table SA8 – Performance indicators and benchmarks row 18 refers to a "Current Consumer Debtors Collection Rate" – this measure is intended to analyse the actual consumer collection rate from property rates and service charges only, excluding other revenue.

9. Budget process and submissions for the 2015/16 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process. Municipalities are reminded to prepare for the budget verification process that will be undertaken on the adopted budgets.

9.1 Tabling of the MFMA budget circular in municipal council

Municipalities are advised to table the annual municipal budget Circulars in council together with the budget documents.

9.2 Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2015, the final date of submission of the electronic budget documents and corresponding electronic returns is **Wednesday, 01 April 2015**. The deadline for submission of hard copies including council resolution is **Friday, 10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2015, the final date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- Signed budget locking certificate as found on the website.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com ; any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents	*For posted documents*
Ms Linda Kruger	Ms Linda Kruger
National Treasury	National Treasury
40 Church Square	Private Bag X115
Pretoria, 0002	Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) approved by council on 31 May 2015 to Yasmin.coovadia@treasury.gov.za.

9.3 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

Returns for the 2015/16 budget must be submitted to the Local Government Database by the latest **24 July 2015**.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
09 March 2015

Annexure A – Changes to Schedule A1 – the 'Excel formats'

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula	Ensure that funding and expenditure balances
2	A6	Insertion of a validity check formula	Ensure that net assets and total community wealth balances
3	A7	Insertion of receipts from property rates and service charges line items Insertion of formulae linking A7 to SA30 for the MTREF	Simplification of data gathering for determining the collection rate from main services
4	A10	Insertion of new footnote	Improve reporting of services provided including informal settlements

Annexure B – Previous MFMA Circulars

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget allocation* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants* – It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition

of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.

2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).

13

BUFFALO CITY
METROPOLITAN MUNICIPALITY

AGENDA

BUFFALO CITY METROPOLITAN COUNCIL

29 MAY 2015

11.00 A.M.

BUFFALO CITY
METROPOLITAN MUNICIPALITY

BUFFALO CITY METROPOLITAN COUNCIL

The following supplementary report is circulated for consideration by the Buffalo City Metropolitan Council at its meeting to be held on

FRIDAY, 29 MAY 2015

at

11.00 A.M.

in the

MAIN AUDITORIUM, BORDER CONFERENCE CENTRE
(Abbotsford Christian Centre)

COUNCILLOR L.E. SIMON-NDZELE
SPEAKER
JFA/pyz
(AGENDAS/2015/F-PAGE/Bcmc-Supp (METRO)/13BCMC29-5)

Elco Building, Fleet Street
EAST LONDON

22 MAY 2015

REPORT

17. Report of the Executive Mayor
(Continued from Supplementary Agenda No. 12)

Item No.	Subject	Page No.
11	Buffalo City Metropolitan Municipality s Final 2015/16 Integrated Development Plan and Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP)	2827

[NOTE : ANNEXURE OF REPORT NO. 11 CONTINUED FROM SUPPLEMENTARY AGENDA NO. 12 DUE TO THE VOLUME THEREOF.]

BUF Buffalo City - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	522 514	580 100	672 957	797 180	813 811	813 811	813 811	903 413	989 526	1 081 778
Service charges	1 754 711	1 965 059	2 198 960	2 420 088	2 411 705	2 411 705	2 411 705	2 686 741	2 990 413	3 326 574
Investment revenue	58 737	83 980	96 477	77 491	77 491	77 491	77 491	133 620	137 409	141 311
Transfers recognised - operational	724 170	723 457	812 167	828 531	929 301	929 301	929 301	1 249 333	1 342 793	1 245 686
Other own revenue	369 177	578 783	661 338	638 051	639 450	639 450	639 450	746 500	790 892	835 502
Total Revenue (excluding capital transfers and contributions)	3 429 309	3 931 380	4 441 899	4 761 341	4 871 758	4 871 758	4 871 758	5 719 607	6 251 033	6 630 850
Employee costs	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Remuneration of councillors	42 966	43 331	45 261	52 254	52 234	52 254	52 254	52 910	56 614	60 577
Depreciation & asset impairment	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Finance charges	70 499	67 259	65 777	59 248	59 248	59 248	59 248	54 313	49 286	44 055
Materials and bulk purchases	915 387	1 040 113	1 110 464	1 201 856	1 214 784	1 214 784	1 214 784	1 377 012	1 561 480	1 771 286
Transfers and grants	99 235	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 382	305 855
Other expenditure	892 456	1 051 451	1 357 963	1 285 114	1 417 379	1 417 379	1 417 379	1 876 050	2 096 889	2 131 782
Total Expenditure	3 652 611	3 985 249	4 497 830	4 749 700	4 890 429	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014
Surplus/(Deficit)	(223 302)	(53 869)	(55 931)	11 640	(18 672)	(18 672)	(18 672)	922	2 081	837
Transfers recognised - capital	186 251	510 296	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Contributions recognised - capital & contributed assets	730	–	–	–	459	459	459	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Share of surplus/ (deficit) of associate	(12 088)	5 326	54 223	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(48 408)	461 753	732 795	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Capital expenditure & funds sources										
Capital expenditure	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069
Transfers recognised - capital	151 001	515 570	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Public contributions & donations	730	–	–	–	459	459	459	–	–	–
Borrowing	17 674	18 146	–	–	–	–	–	–	–	–
Internally generated funds	48 059	59 769	109 692	241 226	447 886	447 886	447 886	425 002	424 821	544 126
Total sources of capital funds	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069
Financial position										
Total current assets	2 134 391	2 566 478	2 846 977	2 651 937	2 398 235	2 398 235	2 009 510	3 250 381	3 345 698	3 515 808
Total non current assets	10 621 914	10 483 393	10 775 303	12 429 377	12 429 377	12 429 377	11 097 270	11 706 711	12 368 876	13 176 505
Total current liabilities	1 384 679	1 261 827	1 088 772	985 433	985 433	985 433	985 433	1 026 227	1 051 009	1 110 342
Total non current liabilities	1 011 696	978 533	988 124	1 091 135	1 091 135	1 091 135	1 091 135	1 099 508	1 108 509	1 126 231
Community wealth/Equity	10 359 930	10 809 511	11 545 384	13 004 746	12 751 044	12 751 044	11 030 212	12 831 357	13 555 056	14 455 741

BUF Buffalo City - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash flows										
Net cash from (used) operating	**597 097**	1 176 732	1 456 969	1 439 866	1 412 901	1 412 901	1 412 901	1 350 929	1 438 217	1 523 370
Net cash from (used) investing	**(215 310)**	(590 286)	(842 058)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 069)
Net cash from (used) financing	**399 970**	(265 100)	(293 793)	(54 633)	(54 633)	(54 633)	(54 633)	(46 097)	(50 709)	110 181
Cash/cash equivalents at the year end	**1 521 969**	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Cash backing/surplus reconciliation										
Cash and investments available	**1 522 826**	1 844 207	2 164 433	1 313 269	1 059 567	1 059 567	1 059 567	2 383 434	2 421 401	2 533 883
Application of cash and investments	**741 049**	431 326	251 946	(423 405)	(423 427)	(423 427)	(62 732)	70 979	26 423	23 189
Balance - surplus (shortfall)	**781 777**	1 412 881	1 912 487	1 736 674	1 482 994	1 482 994	1 122 299	2 312 455	2 394 978	2 510 694
Asset management										
Asset register summary (WDV)	**11 893 707**	10 536 394	10 456 676	12 360 987	12 541 311	12 541 311	11 501 014	11 501 014	12 690 383	14 186 742
Depreciation & asset impairment	**675 702**	701 504	644 163	710 000	710 000	710 000	712 213	712 213	738 315	770 090
Renewal of Existing Assets	**–**	–	–	539 821	621 972	621 972	621 972	745 427	622 681	730 398
Repairs and Maintenance	**219 321**	263 702	285 686	332 249	327 749	327 749	372 010	372 010	416 995	450 612
Free services										
Cost of Free Basic Services provided	**116 562**	117 713	142 234	186 713	186 713	186 713	227 105	227 105	249 883	274 574
Revenue cost of free services provided	**145 766**	148 629	184 335	241 075	241 075	241 075	302 412	302 412	332 419	364 868
Households below minimum service level										
Water:	7	4	4	4	3	2	2	2	1	1
Sanitation/sewerage:	48	4	44	41	39	37	19	19	19	19
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	2	2	2	2	2	2	2	2	2	2

BUF Buffalo City - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		1 198 653	1 526 711	1 725 120	1 769 219	1 789 680	1 789 680	1 974 740	2 042 158	2 136 732
Executive and council		23 219	(2 424)	21 185	34 833	35 333	35 333	37 902	31 148	31 148
Budget and treasury office		1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
Corporate services		6 033	7 243	9 277	14 635	18 472	18 472	14 019	15 498	17 401
Community and public safety		207 958	190 460	328 725	215 350	312 523	312 523	651 123	772 302	678 797
Community and social services		18 230	19 163	64 143	19 285	19 593	19 593	17 738	19 103	20 570
Sport and recreation		2 664	3 858	4 976	5 179	5 179	5 179	5 601	6 139	6 718
Public safety		65 904	75 229	84 165	82 859	83 882	83 882	90 035	98 656	107 907
Housing		46 016	90 358	173 882	105 580	201 328	201 328	535 206	645 859	541 057
Health		75 144	1 851	1 559	2 648	2 541	2 541	2 542	2 544	2 545
Economic and environmental services		118 898	295 653	381 872	94 341	95 507	95 507	97 752	106 838	116 577
Planning and development		29 839	103 362	47 958	24 323	25 382	25 382	21 272	23 282	25 438
Road transport		88 332	191 943	332 638	69 658	69 658	69 658	76 096	83 145	90 701
Environmental protection		727	348	1 275	361	468	468	385	411	438
Trading services		2 077 263	2 412 458	2 752 895	2 660 510	2 652 127	2 652 127	2 972 019	3 303 511	3 670 108
Electricity		1 199 545	1 345 538	1 509 239	1 574 260	1 541 060	1 541 060	1 726 439	1 934 425	2 167 768
Water		327 477	401 252	454 907	442 171	442 171	442 171	492 088	546 275	605 470
Waste water management		302 258	388 639	469 987	316 424	331 702	331 702	392 460	428 549	467 106
Waste management		247 983	277 030	318 764	327 654	337 194	337 194	361 032	394 263	429 764
Other	4	15 178	16 419	18 805	722 702	742 779	742 779	874 327	950 943	1 005 579
Total Revenue - Standard	2	3 617 949	4 441 701	5 207 419	5 462 122	5 592 616	5 592 616	6 569 960	7 175 752	7 607 793
Expenditure - Standard										
Governance and administration		832 595	698 952	852 728	917 021	935 985	935 985	1 087 762	1 130 419	1 159 608
Executive and council		302 757	143 834	113 452	177 175	170 359	170 359	194 037	198 078	206 862
Budget and treasury office		308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
Corporate services		221 044	250 401	273 609	358 231	377 377	377 377	426 767	449 812	461 856
Community and public safety		406 342	435 486	513 237	516 563	610 417	610 417	989 070	1 157 225	1 082 404
Community and social services		73 864	76 645	82 725	91 962	90 671	90 671	93 320	125 782	129 465
Sport and recreation		58 460	71 465	84 128	67 077	65 959	65 959	74 147	79 494	84 789
Public safety		158 301	169 684	190 274	198 663	200 545	200 545	219 275	232 402	246 842
Housing		52 083	89 318	128 197	128 988	223 207	223 207	571 731	687 587	587 476
Health		63 634	28 375	27 913	29 873	29 835	29 835	30 598	31 959	33 832
Economic and environmental services		509 920	721 695	723 547	822 108	846 889	846 889	843 333	800 473	917 779
Planning and development		162 364	178 110	192 670	202 735	225 129	225 129	213 708	227 277	343 072
Road transport		270 558	462 774	435 262	529 388	528 829	528 829	527 886	466 359	461 681
Environmental protection		76 998	80 812	95 615	89 985	92 931	92 931	101 739	106 837	113 027
Trading services		1 904 399	2 109 699	2 371 377	2 475 114	2 481 189	2 481 189	2 781 669	3 143 006	3 451 272
Electricity		1 070 704	1 230 196	1 314 438	1 410 105	1 407 174	1 407 174	1 625 904	1 853 382	2 087 337
Water		390 798	387 718	461 736	444 307	444 941	444 941	503 337	565 376	619 695
Waste water management		253 738	280 290	317 803	333 144	337 741	337 741	362 232	408 524	414 504
Waste management		189 159	211 496	277 399	290 558	291 333	291 333	290 196	315 723	329 736
Other	4	13 102	14 116	13 736	15 895	15 949	15 949	16 851	17 829	18 951
Total Expenditure - Standard	3	3 666 357	3 979 949	4 474 624	4 749 700	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014
Surplus/(Deficit) for the year		(48 408)	461 753	732 795	712 422	702 187	702 187	851 275	926 800	977 780

BUF Buffalo City - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Municipal governance and administration		1 198 653	1 526 711	1 725 120	1 769 219	1 789 680	1 789 680	1 974 740	2 042 158	2 136 732
Executive and council		23 219	(2 424)	21 185	34 833	35 333	35 333	37 902	31 148	31 148
Mayor and Council		23 006	(5 720)	50	–	–	–	–	–	–
Municipal Manager		212	3 296	21 135	34 833	35 333	35 333	37 902	31 148	31 148
Budget and treasury office		1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
Corporate services		6 033	7 243	9 277	14 635	18 472	18 472	14 019	15 498	17 401
Human Resources		3 249	5 155	6 741	8 309	8 309	8 309	11 851	13 143	14 845
Information Technology		–	–	529	–	–	–	–	–	–
Property Services		734	783	831	1 048	1 048	1 048	1 148	1 257	1 374
Other Admin		2 049	1 305	1 175	5 278	9 116	9 116	1 021	1 099	1 182
Community and public safety		207 958	190 460	328 725	215 350	312 523	312 523	651 123	772 302	678 797
Community and social services		18 230	19 163	64 143	19 265	19 593	19 593	17 738	19 103	20 570
Libraries and Archives		6 038	322	7 558	4 299	4 299	4 299	4 361	4 429	4 502
Museums & Art Galleries etc		1	1	1	238	39	39	2	2	2
Community halls and Facilities		3 834	6 030	6 122	4 821	5 329	5 329	2 482	2 717	2 970
Cemeteries & Crematoriums		6 797	11 887	49 280	8 132	8 132	8 132	8 910	9 762	10 677
Child Care		–	–	–	–	–	–	–	–	–
Aged Care		–	–	–	–	–	–	–	–	–
Other Community		433	1	–	7	7	7	7	7	7
Other Social		1 128	922	1 182	1 787	1 787	1 787	1 976	2 186	2 413
Sport and recreation		2 664	3 858	4 976	5 179	5 179	5 179	5 601	6 139	6 718
Public safety		65 904	75 229	84 165	82 659	83 882	83 882	90 035	98 656	107 907
Police		5 416	5 916	7 644	9 349	9 349	9 349	10 229	11 192	12 224
Fire		59 670	68 584	75 787	71 335	72 734	72 734	77 838	85 309	93 327
Civil Defence		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Other		819	729	734	1 974	1 798	1 798	1 969	2 156	2 356
Housing		46 016	90 358	173 882	105 580	201 328	201 328	535 206	645 859	541 057
Health		75 144	1 851	1 559	2 648	2 541	2 541	2 542	2 544	2 545
Clinics		74 042	–	–	–	–	–	–	–	–
Ambulance		–	–	–	–	–	–	–	–	–
Other		1 102	1 851	1 559	2 648	2 541	2 541	2 542	2 544	2 545
Economic and environmental services		118 898	295 653	381 872	94 341	95 507	95 507	97 752	106 838	116 577
Planning and development		29 839	103 362	47 958	24 323	25 382	25 382	21 272	23 282	25 438
Economic Development/Planning		28 619	101 393	46 457	22 767	23 540	23 540	19 657	21 514	23 505
Town Planning/Building enforcement		1 219	1 970	1 501	1 555	1 841	1 841	1 615	1 768	1 932
Licensing & Regulation		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Road transport		88 332	191 943	332 638	69 658	69 658	69 658	76 096	83 145	90 701
Roads		41 600	143 922	284 130	2 851	2 851	2 851	2 943	3 045	3 154
Public Buses		2 026	1 907	1 368	7 582	7 582	7 582	8 303	9 091	9 937
Parking Garages		193	120	42	138	138	138	151	165	181
Vehicle Licensing and Testing		44 513	45 994	47 099	59 087	59 087	59 087	64 699	70 844	77 430
Other		–	–	–	–	–	–	–	–	–
Environmental protection		727	348	1 275	361	468	468	385	411	438
Pollution Control		–	–	–	–	–	–	–	–	–
Biodiversity & Landscape		–	–	–	–	–	–	–	–	–
Other		727	348	1 275	361	468	468	385	411	438
Trading services		2 077 263	2 412 458	2 752 898	2 660 510	2 652 127	2 652 127	2 972 019	3 303 511	3 670 108
Electricity		1 199 545	1 345 538	1 509 239	1 574 260	1 541 060	1 541 060	1 726 439	1 934 425	2 167 768
Electricity Distribution		1 199 545	1 345 538	1 509 239	1 574 260	1 541 060	1 541 060	1 726 439	1 934 425	2 167 768
Electricity Generation		–	–	–	–	–	–	–	–	–
Water		327 477	401 252	454 907	442 171	442 171	442 171	492 088	546 275	605 470
Water Distribution		320 449	401 029	397 483	442 060	442 060	442 060	491 977	546 164	605 359
Water Storage		7 027	223	57 424	111	111	111	111	111	111
Waste water management		302 258	388 639	469 987	316 424	331 702	331 702	392 460	428 549	467 106
Sewerage		302 258	388 639	469 987	316 424	331 702	331 702	392 460	428 549	467 106
Storm Water Management		–	–	–	–	–	–	–	–	–
Public Toilets		–	–	–	–	–	–	–	–	–
Waste management		247 983	277 030	318 764	327 654	337 194	337 194	361 032	394 263	429 764
Solid Waste		247 983	277 030	318 764	327 654	337 194	337 194	361 032	394 263	429 764
Other		15 178	16 419	18 805	722 702	742 779	742 779	874 327	950 943	1 005 579
Air Transport		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Markets		15 178	16 419	18 805	21 920	21 920	21 920	23 975	26 224	28 636
Transfers to/from other reserves		–	–	–	–	–	–	–	–	–
Transfers Recognised - Capital		–	–	–	700 782	720 400	720 400	850 353	924 719	976 943
Contributions Recognised - Capital		–	–	–	–	459	459	–	–	–
Total Revenue - Standard	2	3 617 949	4 441 701	5 207 419	5 462 122	5 592 616	5 592 616	6 569 960	7 175 752	7 607 793
Expenditure - Standard										
Municipal governance and administration		832 595	698 952	852 726	917 021	935 985	935 985	1 087 762	1 130 419	1 159 608
Executive and council		302 757	143 834	113 452	177 175	170 359	170 359	194 037	198 078	206 862
Mayor and Council		267 518	84 184	36 641	87 156	76 095	76 095	91 913	96 697	101 420
Municipal Manager		35 239	59 650	76 810	90 018	94 264	94 264	102 124	101 381	105 442

BUF Buffalo City - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Budget and treasury office		308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
Corporate services		221 044	250 401	273 609	358 231	377 377	377 377	426 767	449 812	461 856
Human Resources		44 340	48 205	52 173	60 434	65 304	65 304	72 355	75 308	80 169
Information Technology		21 479	25 659	30 173	45 984	51 318	51 318	62 289	61 315	58 809
Property Services		397	178	138	159	159	159	176	196	217
Other Admin		154 828	176 358	191 125	251 653	260 596	260 596	291 947	312 993	322 661
Community and public safety		**406 342**	**435 486**	**513 237**	**516 563**	**610 417**	**610 417**	**989 070**	**1 157 225**	**1 082 404**
Community and social services		73 864	76 645	82 725	91 962	90 871	90 871	93 320	125 782	129 465
Libraries and Archives		20 351	19 732	20 597	23 462	23 245	23 245	24 610	25 838	27 154
Museums & Art Galleries etc		1 076	837	895	1 409	1 210	1 210	431	460	492
Community halls and Facilities		13 403	14 743	14 118	17 790	18 514	18 514	16 873	20 194	19 374
Cemeteries & Crematoriums		22 313	23 734	28 147	27 933	25 013	25 013	28 614	55 120	56 667
Child Care		–	–	–	–	–	–	–	–	–
Aged Care		–	–	–	–	–	–	–	–	–
Other Community		11 324	11 503	12 016	14 611	14 811	14 811	15 123	15 922	16 834
Other Social		5 397	6 097	6 952	6 756	8 078	8 078	7 670	8 248	8 944
Sport and recreation		58 460	71 465	84 128	67 077	65 959	65 959	74 147	79 494	84 789
Public safety		**158 301**	**169 684**	**190 274**	**198 663**	**200 545**	**200 545**	**219 275**	**232 402**	**246 842**
Police		100 372	109 690	123 965	119 644	120 428	120 428	130 896	137 966	146 196
Fire		54 592	56 864	62 792	74 546	75 783	75 783	83 921	88 973	94 364
Civil Defence		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Other		3 337	3 130	3 517	4 474	4 334	4 334	4 458	5 463	6 283
Housing		**52 083**	**89 318**	**128 197**	**128 988**	**223 207**	**223 207**	**571 731**	**687 587**	**587 476**
Health		**63 634**	**28 375**	**27 913**	**29 873**	**29 835**	**29 835**	**30 598**	**31 959**	**33 832**
Clinics		34 594	5 335	1 231	1 652	971	971	1 639	1 576	1 653
Ambulance		–	–	–	–	–	–	–	–	–
Other		29 040	23 040	26 682	28 221	28 865	28 865	28 960	30 382	32 180
Economic and environmental services		**509 920**	**721 695**	**723 547**	**822 108**	**846 889**	**846 889**	**843 333**	**800 473**	**917 779**
Planning and development		**162 364**	**178 110**	**192 670**	**202 735**	**225 129**	**225 129**	**213 708**	**227 277**	**343 072**
Economic Development/Planning		147 223	162 549	177 283	180 512	205 105	205 105	190 873	203 497	318 268
Town Planning/Building enforcement		15 140	15 561	15 387	22 223	20 025	20 025	22 835	23 780	24 804
Licensing & Regulation		–	–	–	–	–	–	–	–	–
Road transport		**270 558**	**462 774**	**435 262**	**529 388**	**528 829**	**528 829**	**527 886**	**466 359**	**461 681**
Roads		240 038	433 483	402 264	487 900	488 083	488 083	483 495	419 295	411 770
Public Buses		12 894	10 067	10 282	15 739	14 556	14 556	15 986	16 810	17 732
Parking Garages		3 477	4 277	4 876	6 643	6 643	6 643	7 266	7 674	8 104
Vehicle Licensing and Testing		14 150	14 948	17 841	19 106	19 547	19 547	21 138	22 581	24 074

BUF Buffalo City - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other		–	–	–	–	–	–	–	–	–
Environmental protection		76 998	80 812	95 615	89 985	92 931	92 931	101 739	106 837	113 027
Pollution Control		–	–	–	–	–	–	–	–	–
Biodiversity & Landscape		–	–	–	–	–	–	–	–	–
Other		76 998	80 812	95 615	89 985	92 931	92 931	101 739	106 837	113 027
Trading services		1 904 399	2 109 699	2 371 377	2 478 114	2 481 189	2 481 189	2 781 669	3 143 006	3 451 272
Electricity		1 070 704	1 230 196	1 314 438	1 410 105	1 407 174	1 407 174	1 625 904	1 853 382	2 087 337
Electricity Distribution		1 070 704	1 230 196	1 314 438	1 410 105	1 407 174	1 407 174	1 625 904	1 853 382	2 087 337
Electricity Generation		–	–	–	–	–	–	–	–	–
Water		390 798	387 718	461 736	444 307	444 941	444 941	503 337	565 376	619 695
Water Distribution		336 497	333 415	404 851	387 151	387 930	387 930	421 807	476 845	523 961
Water Storage		54 301	54 302	56 885	57 156	57 012	57 012	81 530	88 532	95 734
Waste water management		253 738	280 290	317 803	333 144	337 741	337 741	362 232	408 524	414 504
Sewerage		253 738	280 290	317 803	333 144	337 741	337 741	362 232	408 524	414 504
Storm Water Management		–	–	–	–	–	–	–	–	–
Public Toilets		–	–	–	–	–	–	–	–	–
Waste management		189 159	211 496	277 399	290 558	291 333	291 333	290 196	315 723	329 736
Solid Waste		189 159	211 496	277 399	290 558	291 333	291 333	290 196	315 723	329 736
Other		13 102	14 116	13 736	15 895	15 949	15 949	16 851	17 829	18 951
Air Transport		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Markets		13 068	14 351	13 840	15 895	15 949	15 949	17 005	17 962	19 056
Transfers to/from other reserves		34	(235)	(103)	0	0	0	(154)	(133)	(105)
Transfers Recognised - Capital		–	–	–	–	–	–	–	–	–
Contributions Recognised - Capital		–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	3 666 357	3 979 949	4 474 624	4 749 700	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014
Surplus/(Deficit) for the year		(48 408)	461 753	732 795	712 422	702 187	702 187	851 275	926 800	977 780

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		3 742	1 104	251	979	1 336	1 336	–	–	–
Vote 2 - Directorate - Municipal Manager		212	3 296	21 135	34 833	35 333	35 333	37 902	31 148	31 148
Vote 3 - Directorate - Chief Operations Officer		46 249	90 611	174 742	109 776	206 619	206 619	535 206	645 859	541 057
Vote 4 - Directorate - Chief Financial Officer		1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
Vote 5 - Directorate - Corporate Services		3 250	5 155	7 270	8 309	8 309	8 309	11 851	13 144	14 846
Vote 6 - Directorate - Engineering Services		1 870 922	2 279 385	2 718 289	2 335 908	2 317 985	2 317 985	2 614 132	2 912 495	3 243 700
Vote 7 - Directorate - Development Planning		46 746	122 390	69 005	54 774	55 719	55 719	55 515	60 751	66 363
Vote 8 - Directorate - Health & Public Safety		185 754	123 195	132 865	144 532	145 648	145 648	157 427	172 209	188 063
Vote 9 - Directorate - Community Services		269 755	300 399	389 158	352 479	364 934	364 934	384 756	419 915	457 490
Vote 10 - Directorate - Miscellaneous		21 919	(5 726)	45	700 782	720 859	720 859	850 353	924 719	976 943
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**3 617 949**	**4 441 701**	**5 207 419**	**5 462 122**	**5 592 616**	**5 592 616**	**6 569 960**	**7 175 752**	**7 607 793**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Directorate - Executive Support Services		106 744	126 799	150 857	155 549	166 677	166 677	164 414	173 903	180 059
Vote 2 - Directorate - Municipal Manager		35 239	59 650	76 810	90 018	94 264	94 264	102 124	101 381	105 442
Vote 3 - Directorate - Chief Operations Officer		58 585	95 581	135 916	141 207	236 700	236 700	582 205	698 678	599 180
Vote 4 - Directorate - Chief Financial Officer		308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
Vote 5 - Directorate - Corporate Services		88 825	98 171	106 354	161 132	164 015	164 015	214 533	218 319	224 865
Vote 6 - Directorate - Engineering Services		1 999 131	2 376 481	2 545 434	2 737 758	2 741 415	2 741 415	3 046 354	3 327 251	3 613 566
Vote 7 - Directorate - Development Planning		198 318	217 819	238 320	257 831	278 824	278 824	274 508	293 150	414 553
Vote 8 - Directorate - Health & Public Safety		243 535	220 959	243 319	260 864	261 778	261 778	283 787	300 507	319 145
Vote 9 - Directorate - Community Services		421 644	464 772	566 536	563 726	558 507	558 507	582 239	651 647	680 699
Vote 10 - Directorate - Miscellaneous		205 544	15 001	(54 589)	0	0	0	1 565	1 586	1 614
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**3 666 357**	**3 979 949**	**4 474 624**	**4 749 700**	**4 890 429**	**4 890 429**	**5 718 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit) for the year	2	**(48 408)**	**461 753**	**732 795**	**712 422**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		**3 742**	**1 104**	**251**	**979**	**1 336**	**1 336**	**–**	**–**	**–**
1.1 - Office of The Director of Executive Support		1 219	655	–	–	–	–	–	–	–
1.2 - Executive Mayor, Speaker & Mayoral Committee		–	–	3	–	–	–	–	–	–
1.3 - Councillors		1 071	–	–	–	–	–	–	–	–
1.4 - Grants-In-Aid		–	–	–	–	–	–	–	–	–
1.5 - Public Participation & Ward Committees		8	–	2	–	–	–	–	–	–
1.6 - Strategic Support		–	–	–	–	–	–	–	–	–
1.7 - Special Programmes		194	194	6	–	–	–	–	–	–
1.8 - City Hall		8	5	0	–	–	–	–	–	–
1.9 - IDP		–	–	–	–	–	–	–	–	–
1.10 - G I S Unit		3	2	30	–	–	–	–	–	–
1.11 - Development Co-Operation		1 237	237	209	847	961	961	–	–	–
1.12 - Public Relations & International Events		1	–	1	132	375	375	–	–	–
1.13 - Research Policy & Knowledge Management Unit		–	12	1	–	–	–	–	–	–
Vote 2 - Directorate - Municipal Manager		**212**	**3 296**	**21 135**	**34 833**	**35 333**	**35 333**	**37 902**	**31 148**	**31 148**
2.1 - Office of The Municipal Manager & Support Services		200	3 296	20 843	34 833	35 333	35 333	37 902	31 148	31 148
2.2 - Internal Audit		–	–	–	–	–	–	–	–	–
2.3 - Legal Services		12	–	293	–	–	–	–	–	–
2.4 - Municipal Public Accounts Committee		–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Chief Operations Officer		**46 249**	**90 611**	**174 742**	**109 776**	**206 619**	**206 619**	**535 206**	**645 859**	**541 057**
3.1 - Mdantsane Urban Renewal Unit		–	–	–	–	–	–	–	–	–
3.2 - Office of The Chief Operations Officer		12	295	868	4 197	5 291	5 291	–	–	–
3.3 - Housing Department		45 979	90 315	173 837	105 580	201 328	201 328	535 206	645 859	541 057
3.4 - Mdantsane Urban Renewal Unit		258	0	37	–	–	–	–	–	–
Vote 4 - Directorate - Chief Financial Officer		**1 169 402**	**1 521 892**	**1 694 658**	**1 719 752**	**1 735 875**	**1 735 875**	**1 922 818**	**1 995 512**	**2 088 184**
4.1 - Office of The Director of Finance		229 174	401 737	545 911	439 130	439 130	439 130	578 081	599 897	620 135
4.2 - Support Services Office		–	–	–	–	–	–	–	–	–
4.3 - Budget Office		959	1 500	1 294	1 500	1 500	1 500	1 300	1 300	1 300
4.4 - Asset Risk & Financial Services		4 372	69 664	13 665	3 259	2 751	2 751	1 922	1 922	1 922
4.5 - Supply Chain Management		1 026	317	1 035	418	418	418	458	501	548
4.6 - Expenditure Office		–	–	–	–	–	–	–	–	–
4.7 - Salary Office		1 237	1 381	1 525	1 747	1 747	1 747	1 913	2 095	2 290
4.8 - Rates and Valuations Office		569 442	630 318	729 251	839 005	855 636	855 636	965 707	1 057 726	1 156 317
4.9 - Consolidated Billing & Miscellaneous Revenue Office		363 026	413 513	387 636	417 926	417 926	417 926	355 078	311 968	283 699
4.10 - Debtors Management Office		145	3 446	14 334	16 767	16 767	16 767	18 360	20 104	21 973
4.11 - Customer Care Office		11	1	0	–	–	–	–	–	–

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
4.12 - Pre-Payment Vending Office		9	14	7	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		**3 250**	**5 155**	**7 270**	**8 309**	**8 309**	**8 309**	**11 851**	**13 144**	**14 846**
5.1 - Office of The Director of Corporate Services		–	–	–	–	–	–	–	–	–
5.2 - Support Services Office		–	–	–	–	–	–	–	–	–
5.3 - Administrative & Council Support		–	–	–	1	1	1	1	1	1
5.4 - Auxilliary & Telecommunication Support		0	0	–	–	–	–	–	–	–
5.5 - General Admin & Telecomm Services		–	–	–	–	–	–	–	–	–
5.6 - Management Information Services		–	–	529	–	–	–	–	–	–
5.7 - H.R. Administration		–	1 265	3 946	5 514	5 514	5 514	8 400	9 500	11 000
5.8 - Occupational Risk Management		–	–	–	–	–	–	–	–	–
5.9 - Labour Relations		–	–	–	–	–	–	–	–	–
5.10 - Organisational Development		3 249	3 890	2 795	2 795	2 795	2 795	3 451	3 643	3 845
5.11 - Research Policy & Knowledge Management Unit		–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Engineering Services		**1 870 922**	**2 279 385**	**2 718 289**	**2 335 908**	**2 317 985**	**2 317 985**	**2 614 132**	**2 912 495**	**3 243 700**
6.1 - Office of The Director of Engineering Services		42	33	26	202	202	202	202	202	202
6.2 - City Engineering Building		–	0	0	–	–	–	–	–	–
6.3 - Chiselhurst Beacon Bay & Kwt Depot		–	–	–	–	–	–	–	–	–
6.4 - Beacon Bay Civic Centre		–	–	–	–	–	–	–	–	–
6.5 - Scientific Services		45	171	231	111	111	111	111	111	111
6.6 - Night Soil Removal - Coastal		206	269	166	675	675	675	675	675	675
6.7 - Night Soil Removal - Central		–	–	–	–	–	–	–	–	–
6.8 - Night Soil Removal - Inland		–	–	–	–	–	–	–	–	–
6.9 - Sewerage Admin		268 920	364 348	469 777	315 750	331 027	331 027	391 785	427 874	466 432
6.10 - Sewerage Pump Station - Coastal		–	–	–	–	–	–	–	–	–
6.11 - Sewerage Pump Station - Central		–	–	–	–	–	–	–	–	–
6.12 - Sewerage Pump Station - Inland		–	–	–	–	–	–	–	–	–
6.13 - Sewerage Treatment - Coastal		12 405	17 114	44	–	–	–	–	–	–
6.14 - Sewerage Treatment - Central		1 454	6 346	–	–	–	–	–	–	–
6.15 - Sewerage Treatment - Inland		14 438	562	–	–	–	–	–	–	–
6.16 - Sewerage Reticulation - Coastal		4 835	–	–	–	–	–	–	–	–
6.17 - Sewerage Reticulation - Central		–	–	–	–	–	–	–	–	–
6.18 - Sewerage Reticulation - Inland		–	–	–	–	–	–	–	–	–
6.19 - Sewerage Interceptors		–	–	–	–	–	–	–	–	–
6.20 - Water Administration		308 846	373 134	397 464	442 060	442 060	442 060	491 377	546 164	605 359
6.21 - Water Miscellaneous		–	–	–	–	–	–	–	–	–
6.22 - Maden Dam		–	–	–	–	–	–	–	–	–
6.23 - Bridle Drift Dam		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
6.24 - Bulk Pumping Stations		4 984	–	–	–	–	–	–	–	–
6.25 - Water Treatment Works		–	–	–	–	–	–	–	–	–
6.26 - Umzonyana Water Treatment Works		1 997	52	–	–	–	–	–	–	–
6.27 - Needs Camp Water Treatment Works		–	–	–	–	–	–	–	–	–
6.28 - KWT Water Treatment Works		–	–	57 193	–	–	–	–	–	–
6.29 - Mdantsane Bulk Pumping		–	–	–	–	–	–	–	–	–
6.30 - Water Ops and Maint. - Inland		11 168	27 867	–	–	–	–	–	–	–
6.31 - Water Ops and Maint. - Midland		27	24	18	–	–	–	–	–	–
6.32 - Water Ops and Maint. - Coastal		409	3	–	–	–	–	–	–	–
6.33 - Construction Distribution		0	–	933	2	2	2	2	2	2
6.34 - Roads Administration		269	280	333	584	584	584	639	700	765
6.35 - Roads Design		15 924	73 629	–	–	–	–	–	–	–
6.36 - Roads and Stormwater Drainage		25 406	70 013	282 864	393	393	393	431	472	515
6.37 - Provincial Main Roads		–	–	–	1 871	1 871	1 871	1 871	1 871	1 871
6.38 - Project Management and Implementation Branch		–	–	–	–	–	–	–	–	–
6.39 - Project Management Unit		0	–	–	–	–	–	–	–	–
6.40 - Mechanical Workshop - Westbank		–	–	0	–	–	–	–	–	–
6.41 - Fleet Management - Westbank		–	–	–	–	–	–	–	–	–
6.42 - Mechanical Workshop - Braelyn		–	–	–	–	–	–	–	–	–
6.43 - Fleet Management - Braelyn		–	–	–	–	–	–	–	–	–
6.44 - Electricity Administration		1 174 987	1 308 409	1 444 499	1 574 260	1 541 060	1 541 060	1 726 439	1 934 425	2 167 768
6.45 - Electricity Distribution Supervisory Staff		(10)	–	–	–	–	–	–	–	–
6.46 - Electricity Planning & Design		24 568	37 129	64 739	–	–	–	–	–	–
6.47 - Revenue Protection		–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		**46 746**	**122 390**	**69 005**	**54 774**	**55 719**	**55 719**	**55 515**	**60 751**	**66 363**
7.1 - Office of The Director of Planning & Economic Dev.		–	13	11	–	–	–	–	–	–
7.2 - Development Planning Administration		–	0	–	–	–	–	–	–	–
7.3 - Housing Department		36	43	45	–	–	–	–	–	–
7.4 - Berlin Transit Camp		0	0	0	1	1	1	1	1	1
7.5 - Garcia Flats		215	232	246	313	313	313	342	375	410
7.6 - Gompo Hostel		30	30	34	20	20	20	22	24	26
7.7 - Gonubie Sub-Economic Scheme 1		7	8	8	12	12	12	13	14	15
7.8 - Gonubie Sub-Economic Scheme 2		–	0	0	–	–	–	–	–	–
7.9 - Pefferville 619		450	481	506	652	652	652	714	781	854
7.10 - Kwt Housing Staff and Rents and Leases		32	33	36	51	51	51	56	62	67
7.11 - City Planning		1 219	1 970	1 501	1 555	1 841	1 841	1 615	1 768	1 932
7.12 - Architecture		4 457	5 173	7 254	9 292	9 292	9 292	10 175	11 141	12 177
7.13 - Land Administration		7 911	25 070	9 540	7 487	8 146	8 146	7 628	8 353	9 130

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
7.14 - Land Surveying		243	242	70	107	107	107	107	107	107
7.15 - Property Administrarion		–	–	–	–	–	–	–	–	–
7.16 - Building Maintenance - Coastal / Central		–	–	–	–	–	–	–	–	–
7.17 - Electricity House		–	–	–	–	–	–	–	–	–
7.18 - Buxton House		–	–	–	–	–	–	–	–	–
7.19 - Munifin Centre		–	–	–	–	–	–	–	–	–
7.20 - Braelyn Depot		–	–	–	–	–	–	–	–	–
7.21 - Chiselhurst Beacon Bay & Kwt Depot		–	–	–	–	–	–	–	–	–
7.22 - Gonubie Public & Council Buildings		–	–	–	–	–	–	–	–	–
7.23 - Mdantsane Zone Office		–	–	–	–	–	–	–	–	–
7.24 - KWT Civic (Admin) Buildings		–	–	–	–	–	–	–	–	–
7.25 - Miscellaneous		–	–	–	–	–	–	–	–	–
7.26 - Ilitha Small Business Centre		–	–	–	–	–	–	–	–	–
7.27 - Phakamisa Small Business Centre		–	–	–	–	–	–	–	–	–
7.28 - Signage Control		1 314	1 067	1 534	1 595	1 595	1 595	1 746	1 912	2 090
7.29 - Old Mutual Building		427	113	243	748	748	748	819	896	980
7.30 - Transport Planning & Operations Admin		6 317	64 383	22 515	–	–	–	–	–	–
7.31 - Traffic Engineering		–	–	–	–	–	–	–	–	–
7.32 - Traffic Signal Maintenance		–	–	–	–	–	–	–	–	–
7.33 - Buffalo City Bus Services		2 026	1 907	1 368	7 582	7 582	7 582	8 303	9 091	9 937
7.34 - BCMET		–	–	–	–	–	–	–	–	–
7.35 - Local Economic Development		6 882	5 206	5 288	3 439	3 439	3 439	–	–	–
7.36 - Market		15 178	16 419	18 805	21 920	21 920	21 920	23 975	26 224	28 636
Vote 8 - Directorate - Health & Public Safety		**185 754**	**123 195**	**132 865**	**144 532**	**145 648**	**145 648**	**157 427**	**172 209**	**188 063**
8.1 - Office of The Director of Health & Public Safety		–	–	–	–	–	–	–	–	–
8.2 - Support Services		–	1	–	–	–	–	–	–	–
8.3 - Health Administration		1	–	–	1	1	1	1	1	1
8.4 - Health Support		–	–	–	–	–	–	–	–	–
8.5 - Pharmacy		–	–	–	–	–	–	–	–	–
8.6 - Clinics		74 042	–	–	–	–	–	–	–	–
8.7 - Aids Training Information Centre		1 089	73	248	2 522	2 522	2 522	2 522	2 522	2 522
8.8 - Environmental Health		–	1 754	1 288	–	–	–	–	–	–
8.9 - Pest Control		11	25	23	11	11	11	12	13	15
8.10 - Pollution Control		–	–	–	107	–	–	–	–	–
8.11 - Educare Centre		–	–	–	7	7	7	7	7	7
8.12 - Public Safety Administration		–	3	–	–	–	–	–	–	–
8.13 - Fire and Rescue Services		59 670	68 584	75 787	71 335	72 734	72 734	77 838	85 309	93 327
8.14 - Security Services		18	15	12	19	19	19	19	19	19

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
8.15 - Traffic Administration		52	35	46	21	21	21	23	25	28
8.16 - Traffic Control		–	–	1 718	–	–	–	–	–	–
8.17 - Criminal Process		5 346	5 863	5 868	9 309	9 309	9 309	10 186	11 147	12 177
8.18 - Vehicle Test Station . Examination		575	491	464	1 030	1 030	1 030	1 126	1 231	1 344
8.19 - Vehicle Registration		28 897	30 802	33 019	38 745	38 745	38 745	42 425	46 456	50 776
8.20 - Drivers License Testing		15 042	14 700	13 616	19 313	19 313	19 313	21 148	23 157	25 310
8.21 - Traffic Technical Services		–	–	–	–	–	–	–	–	–
8.22 - Parking Areas / Meters		193	120	42	138	138	138	151	165	181
8.23 - Disaster Management		198	–	–	176	–	–	–	–	–
8.24 - Dog Tax Office		620	729	734	1 798	1 798	1 798	1 969	2 156	2 356
Vote 9 - Directorate - Community Services		**269 755**	**300 399**	**389 158**	**352 479**	**364 934**	**364 934**	**384 756**	**419 915**	**457 490**
9.1 - Office of The Director of Community Services		0	–	0	–	–	–	–	–	–
9.2 - Cleansing Administration Support		–	–	–	2	2	2	2	2	2
9.3 - Environmental Administration Support		–	–	–	–	107	107	–	–	–
9.4 - Environmental Services		727	347	1 274	361	361	361	385	411	438
9.5 - Environmental Conservation		–	1	2	–	–	–	–	–	–
9.6 - Environmental Workshop		1	–	–	–	–	–	–	–	–
9.7 - Interments		6 797	11 887	49 280	8 132	8 132	8 132	8 910	9 762	10 677
9.8 - Gompo Admin Building		–	–	–	–	–	–	–	–	–
9.9 - Integrated Environmental Management		150	–	–	–	2 500	2 500	–	–	–
9.10 - Arts & Cultural Services Admin		433	1	–	5	5	5	5	5	5
9.11 - Libraries		6 038	322	7 558	4 299	4 299	4 299	4 361	4 429	4 502
9.12 - Art Gallery		1	1	1	2	2	2	2	2	2
9.13 - Art Centres		–	–	0	237	37	37	–	–	–
9.14 - Halls		3 834	6 030	6 122	4 821	5 329	5 329	2 482	2 717	2 970
9.15 - Amenities Administration Support		–	–	53	–	–	–	–	–	–
9.16 - Sportsfields		832	975	1 658	196	196	196	141	154	168
9.17 - Swimming Pools		188	238	545	450	450	450	498	550	606
9.18 - Aquarium		135	206	207	520	520	520	573	631	695
9.19 - Zoo		1 128	922	1 182	1 787	1 787	1 787	1 976	2 186	2 413
9.20 - Beaches		501	544	660	612	612	612	666	726	790
9.21 - Resorts		1 006	1 894	1 853	3 401	3 401	3 401	3 725	4 078	4 458
9.22 - Cleansing Administration Support		64	0	–	1	1	1	1	1	1
9.23 - Refuse Removal		243 320	273 669	312 086	322 806	332 346	332 346	355 724	388 450	423 411
9.24 - Waste Disposal Sites		2 708	3 303	3 760	4 847	4 847	4 847	5 307	5 811	6 352
9.25 - Street Sweeping		68	57	43	–	–	–	–	–	–
9.26 - Public Conveniences		–	1	–	–	–	–	–	–	–
9.27 - E.L Regional Waste Disposal Site & Transfer Station		1 824	–	2 875	–	–	–	–	–	–

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 10 - Directorate - Miscellaneous		21 919	(5 726)	45	700 782	720 859	720 859	850 353	924 719	976 943
10.1 - IDP		–	–	–	–	–	–	–	–	–
10.2 - Development Co-Operaton		–	–	–	–	–	–	–	–	–
10.3 - Strategic Support		–	–	–	–	–	–	–	–	–
10.4 - Local Economic Development		–	–	–	–	–	–	–	–	–
10.5 - Integrated Environmental Management		–	–	–	–	–	–	–	–	–
10.6 - Market		–	–	–	–	–	–	–	–	–
10.7 - BCMM Restated		21 530	(5 766)	–	–	–	–	–	–	–
10.8 - BCDA		389	40	45	–	–	–	–	–	–
10.9 - Taxation		–	–	–	–	–	–	–	–	–
10.10 - Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–
10.11 - Transfer to/from other reserves		–	–	–	–	–	–	–	–	–
10.12 - Transfer Recognised - Capital		–	–	–	700 782	720 400	720 400	850 353	924 719	976 943
10.13 - Contributions Recognised - Capital		–	–	–	–	459	459	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–
11.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–
12.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–
13.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–
14.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–
15.1 - Vacant		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	3 617 949	4 441 701	5 207 419	5 462 122	5 592 616	5 592 616	6 569 960	7 175 752	7 607 793

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote	1									
Vote 1 - Directorate - Executive Support Services		**106 744**	**126 799**	**150 857**	**155 549**	**166 677**	**166 677**	**164 414**	**173 903**	**180 059**
1.1 - Office of The Director of Executive Support		12 355	16 483	22 508	22 761	25 268	25 268	22 798	23 847	25 123
1.2 - Executive Mayor, Speaker & Mayoral Committee		17 160	17 655	34 322	29 386	19 044	19 044	30 320	31 274	32 250
1.3 - Councillors		38 315	38 127	40 513	43 128	42 978	42 978	43 370	46 159	49 150
1.4 - Grants-In-Aid		2 515	7 917	5 111	11 933	30 108	30 108	16 795	17 962	19 218
1.5 - Public Participation & Ward Committees		3 979	10 088	12 538	12 039	11 812	11 812	13 980	14 708	15 341
1.6 - Strategic Support		2 355	2 819	3 531	2 327	1 985	1 985	1 963	2 054	2 153
1.7 - Special Programmes		2 161	5 159	4 671	4 809	5 562	5 562	5 934	6 073	6 220
1.8 - City Hall		199	258	223	276	276	276	561	783	807
1.9 - IDP		5 372	5 777	6 438	7 270	7 370	7 370	7 440	7 688	7 965
1.10 - G I S Unit		3 173	4 863	3 011	1 890	1 890	1 890	1 568	1 613	1 665
1.11 - Development Co-Operation		2 897	2 716	2 722	3 344	3 459	3 459	2 467	2 571	2 563
1.12 - Public Relations & International Events		13 715	12 832	13 046	13 814	14 057	14 057	13 923	14 385	14 885
1.13 - Research Policy & Knowledge Management Unit		2 547	2 105	2 224	2 572	2 869	2 869	3 293	4 786	2 719
Vote 2 - Directorate - Municipal Manager		**35 239**	**59 650**	**76 810**	**90 018**	**94 264**	**94 264**	**102 124**	**101 381**	**105 442**
2.1 - Office of The Municipal Manager & Support Services		20 450	40 886	55 938	65 300	66 073	66 073	69 527	65 246	68 192
2.2 - Internal Audit		3 579	7 589	7 802	8 959	9 513	9 513	11 474	13 847	14 220
2.3 - Legal Services		11 209	11 174	12 022	13 940	15 960	15 960	20 163	21 296	22 005
2.4 - Municipal Public Accounts Committee		–	–	1 048	1 819	2 719	2 719	960	992	1 025
Vote 3 - Directorate - Chief Operations Officer		**58 585**	**95 581**	**135 916**	**141 207**	**236 700**	**236 700**	**582 205**	**698 678**	**599 180**
3.1 - Mdantsane Urban Renewal Unit		–	–	–	–	–	–	–	–	–
3.2 - Office of The Chief Operations Officer		1 946	2 238	3 697	8 300	9 394	9 394	6 082	6 473	6 868
3.3 - Housing Department		52 077	89 312	128 134	128 982	223 201	223 201	571 670	687 574	587 465
3.4 - Mdantsane Urban Renewal Unit		4 561	4 030	4 085	3 926	4 106	4 106	4 454	4 631	4 847
Vote 4 - Directorate - Chief Financial Officer		**308 794**	**304 717**	**465 667**	**381 616**	**388 248**	**388 248**	**466 958**	**482 530**	**490 889**
4.1 - Office of The Director of Finance		64 221	(371)	87 861	9 962	17 133	17 133	17 174	18 691	14 351
4.2 - Support Services Office		7 962	8 429	7 825	9 059	9 059	9 059	9 358	9 852	10 384
4.3 - Budget Office		13 083	12 922	15 968	23 677	18 181	18 181	23 173	24 365	25 357
4.4 - Asset Risk & Financial Services		39 235	46 760	54 714	77 076	76 319	76 319	104 775	95 179	82 028
4.5 - Supply Chain Management		19 570	31 229	26 245	17 699	19 414	19 414	27 102	28 449	29 896
4.6 - Expenditure Office		3 553	4 158	6 698	7 696	7 696	7 696	7 836	8 177	8 620
4.7 - Salary Office		16 953	40 446	18 656	3 872	3 872	3 872	3 993	4 185	4 400
4.8 - Rates and Valuations Office		51 311	54 303	122 497	98 925	102 108	102 108	134 699	148 030	162 951
4.9 - Consolidated Billing & Miscellaneous Revenue Office		27 811	31 201	36 329	38 085	39 836	39 836	41 515	43 413	45 437
4.10 - Debtors Management Office		20 755	30 807	37 618	41 040	41 194	41 194	39 498	41 154	43 026

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
4.11 - Customer Care Office		28 929	30 737	35 568	38 178	37 089	37 089	40 909	43 026	45 281
4.12 - Pre-Payment Vending Office		15 410	14 096	15 687	16 346	16 346	16 346	16 925	18 007	19 159
Vote 5 - Directorate - Corporate Services		**88 825**	**98 171**	**106 354**	**161 132**	**164 015**	**164 015**	**214 533**	**218 319**	**224 865**
5.1 - Office of The Director of Corporate Services		4 816	2 082	2 568	29 795	21 979	21 979	56 359	59 590	63 004
5.2 - Support Services Office		225	266	192	236	236	236	216	196	195
5.3 - Administrative & Council Support		8 753	10 262	10 435	11 007	11 357	11 357	10 484	10 590	10 973
5.4 - Auxilliary & Telecommunication Support		6 158	6 531	6 477	7 793	7 773	7 773	7 669	8 013	8 336
5.5 - General Admin & Telecomm Services		3 032	5 144	4 332	5 804	5 970	5 970	5 027	3 162	3 224
5.6 - Management Information Services		21 479	25 659	30 173	45 984	51 318	51 318	62 289	61 315	58 809
5.7 - H.R. Administration		12 427	23 191	24 894	27 503	34 784	34 784	36 128	37 204	40 009
5.8 - Occupational Risk Management		2 188	2 805	3 529	3 662	3 705	3 705	4 214	4 408	4 618
5.9 - Labour Relations		4 959	6 278	7 560	7 402	5 867	5 867	6 225	6 561	6 925
5.10 - Organisational Development		24 765	15 931	16 189	21 867	20 949	20 949	25 788	27 136	28 617
5.11 - Research Policy & Knowledge Management Unit		22	20	3	79	79	79	135	144	154
Vote 6 - Directorate - Engineering Services		**1 999 131**	**2 376 481**	**2 545 434**	**2 737 758**	**2 741 415**	**2 741 415**	**3 046 354**	**3 327 251**	**3 613 566**
6.1 - Office of The Director of Engineering Services		13 836	13 466	11 907	13 808	14 155	14 155	14 678	15 177	15 745
6.2 - City Engineering Building		1 919	2 109	2 413	2 376	2 376	2 376	2 588	2 822	3 078
6.3 - Chiselhurst Beacon Bay & Kwt Depot		2 163	2 230	2 623	1 738	1 738	1 738	1 896	2 004	2 135
6.4 - Beacon Bay Civic Centre		350	373	558	496	496	496	530	571	615
6.5 - Scientific Services		8 394	9 628	10 454	11 769	11 860	11 860	31 481	34 371	37 649
6.6 - Night Soil Removal - Coastal		5 803	6 201	7 348	7 438	7 440	7 440	8 176	8 771	8 726
6.7 - Night Soil Removal - Central		432	322	282	602	602	602	703	742	784
6.8 - Night Soil Removal - Inland		318	309	227	564	564	564	621	660	700
6.9 - Sewerage Admin		57 407	78 936	109 112	106 473	110 973	110 973	133 598	156 796	174 545
6.10 - Sewerage Pump Station - Coastal		12 441	10 993	13 883	12 687	12 687	12 687	13 408	13 626	14 801
6.11 - Sewerage Pump Station - Central		4 315	5 927	7 468	7 033	7 033	7 033	7 495	8 144	8 792
6.12 - Sewerage Pump Station - Inland		521	479	538	647	647	647	663	737	781
6.13 - Sewerage Treatment - Coastal		32 208	34 888	35 482	38 838	38 852	38 852	40 653	37 348	40 168
6.14 - Sewerage Treatment - Central		17 783	19 614	20 697	23 870	23 886	23 886	24 940	28 659	31 254
6.15 - Sewerage Treatment - Inland		16 144	16 555	17 535	18 179	18 195	18 195	19 165	19 805	21 425
6.16 - Sewerage Reticulation - Coastal		52 405	51 444	53 464	58 449	58 495	58 495	56 878	67 695	60 965
6.17 - Sewerage Reticulation - Central		24 385	24 342	21 785	26 084	26 084	26 084	22 506	27 743	24 460
6.18 - Sewerage Reticulation - Inland		20 394	21 303	21 689	23 771	23 773	23 773	24 919	29 460	19 111
6.19 - Sewerage Interceptors		9 184	8 977	8 292	8 510	8 510	8 510	8 506	8 339	7 993
6.20 - Water Administration		199 919	214 397	281 492	256 989	257 102	257 102	290 976	323 224	356 421
6.21 - Water Miscellaneous		–	–	–	–	–	–	–	–	–
6.22 - Maden Dam		754	687	715	832	832	832	887	945	1 001

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
6.23 - Bridle Drift Dam		533	513	363	713	528	528	564	600	638
6.24 - Bulk Pumping Stations		14 864	16 464	17 344	15 147	15 147	15 147	16 367	17 756	19 171
6.25 - Water Treatment Works		–	–	–	–	–	–	–	–	–
6.26 - Umzonyana Water Treatment Works		21 591	17 683	19 049	20 621	20 569	20 569	22 835	24 582	26 305
6.27 - Needs Camp Water Treatment Works		931	978	168	–	–	–	–	–	–
6.28 - KWT Water Treatment Works		4 301	5 136	5 293	4 602	4 602	4 602	5 726	6 401	6 876
6.29 - Mdantsane Bulk Pumping		2 934	3 214	3 498	3 472	3 473	3 473	3 670	3 876	4 094
6.30 - Water Ops and Maint. - Inland		44 788	35 995	39 317	38 359	38 560	38 560	39 686	46 937	51 180
6.31 - Water Ops and Maint. - Midland		32 994	24 652	25 538	27 530	27 760	27 760	28 845	33 286	36 260
6.32 - Water Ops and Maint. - Coastal		58 796	58 371	58 504	64 273	64 508	64 508	62 300	73 398	80 099
6.33 - Construction Distribution		28 740	6 489	9 841	9 462	9 603	9 603	18 265	22 360	24 328
6.34 - Roads Administration		121 484	108 761	27 818	45 510	46 212	46 212	63 902	74 885	88 248
6.35 - Roads Design		2 717	3 240	1 011	–	–	–	315	464	526
6.36 - Roads and Stormwater Drainage		79 793	304 251	353 030	419 026	418 426	418 426	386 558	306 381	282 497
6.37 - Provincial Main Roads		1 583	5 443	5 733	6 590	6 590	6 590	7 085	7 616	8 187
6.38 - Project Management and Implementation Branch		5 721	5 299	4 831	7 311	7 252	7 252	7 370	7 588	7 983
6.39 - Project Management Unit		2 140	2 438	2 626	3 624	3 701	3 701	3 795	3 988	4 199
6.40 - Mechanical Workshop - Westbank		2 345	2 462	3 050	3 351	3 656	3 656	3 988	4 192	4 414
6.41 - Fleet Management - Westbank		1 215	1 639	1 681	2 093	1 745	1 745	1 719	1 782	1 874
6.42 - Mechanical Workshop - Braelyn		8 801	9 583	12 293	12 491	13 177	13 177	14 562	15 302	16 124
6.43 - Fleet Management - Braelyn		11 083	10 493	12 042	22 326	22 431	22 431	27 629	34 835	32 075
6.44 - Electricity Administration		850 997	997 438	1 051 140	1 158 186	1 152 344	1 152 344	1 389 771	1 588 789	1 796 033
6.45 - Electricity Distribution Supervisory Staff		81 508	85 922	89 426	101 065	101 197	101 197	98 612	108 442	116 514
6.46 - Electricity Planning & Design		134 964	142 753	167 684	144 148	148 622	148 622	130 227	148 399	166 542
6.47 - Revenue Protection		3 235	4 082	6 187	6 706	5 011	5 011	7 294	7 752	8 248
Vote 7 - Directorate - Development Planning		**198 318**	**217 819**	**238 320**	**257 831**	**278 824**	**278 824**	**274 508**	**293 150**	**414 553**
7.1 - Office of The Director of Planning & Economic Dev.		2 517	2 676	2 383	4 719	3 247	3 247	4 071	14 377	33 381
7.2 - Development Planning Administration		1 236	3 050	1 430	1 484	1 684	1 684	1 672	1 750	1 845
7.3 - Housing Department		5	6	63	6	6	6	61	12	11
7.4 - Berlin Transit Camp		–	7	–	–	–	–	–	–	–
7.5 - Garcia Flats		191	27	21	33	33	33	36	40	45
7.6 - Gompo Hostel		–	–	–	–	–	–	–	–	–
7.7 - Gonubie Sub-Economic Scheme 1		–	–	0	–	–	–	–	–	–
7.8 - Gonubie Sub-Economic Scheme 2		14	1	15	12	12	12	13	14	15
7.9 - Pefferville 619		6	11	16	23	23	23	25	28	31
7.10 - Kwt Housing Staff and Rents and Leases		186	133	85	92	92	92	102	113	125
7.11 - City Planning		15 140	15 561	15 387	22 223	20 025	20 025	22 835	23 780	24 804
7.12 - Architecture		8 072	10 064	11 230	11 440	11 649	11 649	13 350	14 654	15 471

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
7.13 - Land Administration		72 893	87 969	99 090	100 049	100 708	100 708	102 015	99 733	91 353
7.14 - Land Surveying		4 035	3 982	5 929	7 248	7 474	7 474	7 810	8 085	8 444
7.15 - Property Administrarion		–	–	–	–	–	–	–	–	–
7.16 - Building Maintenance - Coastal / Central		17 586	23 129	28 427	31 527	31 649	31 649	35 046	38 263	41 631
7.17 - Electricity House		188	123	172	179	179	179	197	217	239
7.18 - Buxton House		92	53	85	90	90	90	100	111	123
7.19 - Munifin Centre		1 435	780	1 166	1 001	1 001	1 001	1 082	1 170	1 266
7.20 - Braelyn Depot		343	468	596	720	720	720	788	863	944
7.21 - Chiselhurst Beacon Bay & Kwt Depot		–	–	–	–	–	–	–	–	–
7.22 - Gonubie Public & Council Buildings		347	386	470	448	448	448	491	539	590
7.23 - Mdantsane Zone Office		893	976	1 722	1 980	1 980	1 980	2 190	2 423	2 678
7.24 - KWT Civic (Admin) Buildings		780	916	1 101	915	915	915	989	1 070	1 158
7.25 - Miscellaneous		–	–	–	–	–	–	–	–	–
7.26 - Iitha Small Business Centre		–	–	–	–	–	–	–	–	–
7.27 - Phakamisa Small Business Centre		–	–	–	–	–	–	–	–	–
7.28 - Signage Control		811	709	804	854	854	854	920	1 057	1 630
7.29 - Old Mutual Building		757	801	834	977	977	977	1 049	1 127	1 210
7.30 - Transport Planning & Operations Admin		14 360	14 447	3 143	9 325	8 456	8 456	12 018	14 447	16 762
7.31 - Traffic Engineering		3 112	2 236	3 147	3 630	3 631	3 631	3 828	4 043	4 281
7.32 - Traffic Signal Maintenance		1 567	1 916	1 967	2 946	2 947	2 947	3 176	3 367	3 561
7.33 - Buffalo City Bus Services		12 610	9 830	10 172	15 477	14 295	14 295	15 725	16 549	17 471
7.34 - BCMET		283	236	110	261	261	261	261	261	261
7.35 - Local Economic Development		25 791	22 977	34 915	24 278	49 520	49 520	27 652	27 093	124 165
7.36 - Market		13 068	14 351	13 840	15 895	15 949	15 949	17 005	17 962	19 056
Vote 8 - Directorate - Health & Public Safety		**243 535**	**220 959**	**243 319**	**260 864**	**261 778**	**261 778**	**283 787**	**300 507**	**319 145**
8.1 - Office of The Director of Health & Public Safety		1 962	1 870	471	3 814	2 545	2 545	2 822	3 069	3 325
8.2 - Support Services		2 011	1 806	1 944	2 764	2 662	2 662	2 688	2 823	2 968
8.3 - Health Administration		4 940	4 292	3 870	4 681	5 102	5 102	4 412	4 635	4 881
8.4 - Health Support		6 977	253	32	218	40	40	178	186	196
8.5 - Pharmacy		809	53	31	32	23	23	29	27	28
8.6 - Clinics		34 594	5 335	1 231	1 652	971	971	1 639	1 576	1 653
8.7 - Aids Training Information Centre		1 116	71	262	131	66	66	133	140	147
8.8 - Environmental Health		11 733	14 581	18 496	18 542	19 060	19 060	19 374	20 637	21 894
8.9 - Pest Control		1 113	1 345	1 535	1 497	1 556	1 556	1 696	1 788	1 896
8.10 - Pollution Control		1 639	1 594	1 501	2 179	2 073	2 073	2 107	1 888	1 992
8.11 - Educare Centre		712	850	954	942	943	943	1 031	1 083	1 146
8.12 - Public Safety Administration		2 025	2 510	2 479	2 778	2 788	2 788	2 707	2 669	2 756
8.13 - Fire and Rescue Services		54 592	56 864	62 792	74 546	75 783	75 783	83 921	88 973	94 364

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
8.14 - Security Services		49 922	54 974	65 927	55 490	55 591	55 591	62 896	67 003	71 514
8.15 - Traffic Administration		28 596	30 801	32 046	31 356	31 700	31 700	33 164	33 973	35 256
8.16 - Traffic Control		16 625	17 968	19 837	25 855	26 184	26 184	28 312	30 311	32 454
8.17 - Criminal Process		3 203	3 437	3 676	4 165	4 165	4 165	3 816	4 010	4 215
8.18 - Vehicle Test Station / Examination		2 821	2 835	3 641	3 036	3 162	3 162	4 295	4 879	5 458
8.19 - Vehicle Registration		4 394	4 588	4 910	5 795	5 725	5 725	5 706	5 966	6 246
8.20 - Drivers License Testing		3 419	3 888	4 865	6 929	7 315	7 315	6 337	6 667	7 019
8.21 - Traffic Technical Services		3 517	3 636	4 424	3 346	3 346	3 346	4 799	5 069	5 350
8.22 - Parking Areas / Meters		3 477	4 277	4 876	6 643	6 643	6 643	7 266	7 674	8 104
8.23 - Disaster Management		2 753	2 472	2 727	3 390	3 250	3 250	3 295	4 251	5 008
8.24 - Dog Tax Office		585	658	790	1 084	1 084	1 084	1 163	1 212	1 274
Vote 9 - Directorate - Community Services		**421 644**	**464 772**	**566 536**	**563 726**	**558 507**	**558 507**	**582 239**	**651 647**	**680 699**
9.1 - Office of The Director of Community Services		22 012	23 573	25 502	22 018	6 849	6 849	20 675	21 018	21 385
9.2 - Cleansing Administration Support		2 520	2 505	2 579	2 997	3 197	3 197	3 038	3 196	3 421
9.3 - Environmental Administration Support		1 522	1 674	1 839	1 980	2 087	2 087	2 185	2 397	3 002
9.4 - Environmental Services		55 220	59 367	70 063	65 937	69 815	69 815	77 335	80 907	85 048
9.5 - Environmental Conservation		14 595	14 078	17 252	15 796	14 756	14 756	15 454	16 352	17 342
9.6 - Environmental Workshop		5 660	5 693	6 461	6 273	6 273	6 273	6 766	7 181	7 635
9.7 - Interments		22 313	23 734	28 147	27 933	25 013	25 013	28 614	55 120	56 667
9.8 - Gompo Admin Building		10	1	2	3	3	3	3	3	3
9.9 - Integrated Environmental Management		1 142	779	1 166	2 124	10 562	10 562	2 160	2 790	2 294
9.10 - Arts & Cultural Services Admin		8 804	8 998	9 436	11 614	11 614	11 614	12 084	12 726	13 413
9.11 - Libraries		20 351	19 732	20 597	23 462	23 245	23 245	24 610	25 838	27 154
9.12 - Art Gallery		843	774	860	906	906	906	146	155	164
9.13 - Art Centres		233	63	36	502	303	303	285	306	328
9.14 - Halls		13 403	14 743	14 118	17 790	18 514	18 514	16 873	20 194	19 374
9.15 - Amenities Administration Support		4 093	4 318	6 873	5 626	4 426	4 426	5 059	5 273	5 374
9.16 - Sportsfields		19 230	19 203	31 190	20 132	19 350	19 350	22 866	24 794	26 447
9.17 - Swimming Pools		9 251	11 002	13 035	10 229	10 189	10 189	11 230	11 988	12 853
9.18 - Aquarium		6 504	7 438	8 228	8 312	8 501	8 501	9 580	10 406	11 326
9.19 - Zoo		5 397	6 097	6 952	6 756	8 078	8 078	7 670	8 248	8 944
9.20 - Beaches		13 680	14 897	17 675	17 166	17 222	17 222	18 686	19 919	21 261
9.21 - Resorts		5 701	14 606	7 127	5 611	6 271	6 271	6 726	7 114	7 527
9.22 - Cleansing Administration Support		25 723	32 173	36 383	25 843	26 905	26 905	30 439	31 669	32 865
9.23 - Refuse Removal		97 465	118 182	152 948	189 830	191 753	191 753	167 901	180 547	194 186
9.24 - Waste Disposal Sites		7 599	7 732	6 848	6 993	7 204	7 204	7 342	7 388	7 449
9.25 - Street Sweeping		33 063	35 308	47 303	39 308	35 432	35 432	38 326	40 415	42 629
9.26 - Public Conveniences		8 657	7 590	7 279	7 903	9 399	9 399	10 565	11 261	12 016

BUF Buffalo City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
9.27 - E.L Regional Waste Disposal Site & Transfer Station		16 651	10 511	26 640	20 680	20 641	20 641	35 624	44 443	40 591
Vote 10 - Directorate - Miscellaneous		**205 544**	**15 001**	**(54 589)**	**0**	**0**	**0**	**1 565**	**1 586**	**1 614**
10.1 - IDP		–	–	–	–	–	–	–	–	–
10.2 - Development Co-Operation		–	–	–	–	–	–	–	–	–
10.3 - Strategic Support		–	–	–	–	–	–	–	–	–
10.4 - Local Economic Development		–	–	–	–	–	–	–	–	–
10.5 - Integrated Environmental Management		–	–	–	–	–	–	–	–	–
10.6 - Market		–	–	–	–	–	–	–	–	–
10.7 - BCMM Restated		193 704	20 350	(103)	0	0	0	(154)	(133)	(105)
10.8 - BCDA		(248)	(23)	(263)	–	–	–	1 719	1 719	1 719
10.9 - Taxation		–	–	–	–	–	–	–	–	–
10.10 - Share of surplus/ (deficit) of associate		12 088	(5 326)	(54 223)	–	–	–	–	–	–
10.11 - Transfer to/from other reserves		–	–	–	–	–	–	–	–	–
10.12 - Transfer Recognised - Capital		–	–	–	–	–	–	–	–	–
10.13 - Contributions Recognised - Capital		–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–
11.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–
12.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–
13.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–
14.1 - Vacant		–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–
15.1 - Vacant		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**3 666 357**	**3 979 949**	**4 474 624**	**4 749 700**	**4 890 429**	**4 890 429**	**5 718 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit) for the year	2	**(48 408)**	**461 753**	**732 795**	**712 422**	**702 187**	**702 187**	**851 275**	**926 800**	**977 780**

BUF Buffalo City - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	522 514	580 100	672 957	796 668	813 298	813 298	813 298	902 842	988 889	1 081 070
Property rates - penalties & collection charges		–	–	–	512	512	512	512	571	637	709
Service charges - electricity revenue	2	1 137 198	1 266 660	1 383 684	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
Service charges - water revenue	2	239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
Service charges - sanitation revenue	2	197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
Service charges - refuse revenue	2	175 341	198 898	228 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Service charges - other		4 663	5 452	12 149	14 261	14 261	14 261	14 261	16 056	18 083	20 338
Rental of facilities and equipment		14 620	15 485	15 018	17 013	17 013	17 013	17 013	18 629	20 399	22 296
Interest earned - external investments		58 737	83 980	96 477	77 491	77 491	77 491	77 491	133 620	137 409	141 311
Interest earned - outstanding debtors		23 920	22 204	27 178	29 383	29 383	29 383	29 383	32 175	35 231	38 508
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		5 456	5 979	5 910	9 400	9 400	9 400	9 400	10 293	11 271	12 319
Licences and permits		15 708	15 299	14 161	20 523	20 523	20 523	20 523	22 472	24 607	26 896
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		724 170	723 457	812 167	828 531	929 301	929 301	929 301	1 249 333	1 342 793	1 245 686
Other revenue	2	309 474	519 815	586 988	561 732	563 131	563 131	563 131	662 931	699 384	735 483
Gains on disposal of PPE		–	–	12 084	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**3 429 309**	**3 931 380**	**4 441 899**	**4 761 341**	**4 871 758**	**4 871 758**	**4 871 758**	**5 719 607**	**6 251 033**	**6 630 850**
Expenditure By Type											
Employee related costs	2	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Remuneration of councillors		42 966	43 331	45 261	52 254	52 254	52 254	52 254	52 910	56 614	60 577
Debt impairment	3	58 207	106 770	241 011	203 074	187 074	187 074	187 074	245 009	273 185	305 968
Depreciation & asset impairment	2	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Finance charges		70 499	67 259	65 777	59 248	59 248	59 248	59 248	54 313	49 286	44 055
Bulk purchases	2	915 387	1 040 113	1 110 464	1 201 856	1 214 784	1 214 784	1 214 784	1 377 012	1 561 480	1 771 286
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		6 840	7 763	9 743	19 909	14 944	14 944	14 944	21 622	23 481	25 453
Transfers and grants		99 235	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 382	305 855
Other expenditure	4, 5	819 863	928 261	1 096 168	1 062 130	1 215 362	1 215 362	1 215 362	1 609 419	1 800 222	1 800 361
Loss on disposal of PPE		7 547	8 657	11 041	–	–	–	–	–	–	–
Total Expenditure		**3 652 611**	**3 985 249**	**4 497 830**	**4 749 700**	**4 890 429**	**4 890 429**	**4 890 429**	**5 718 685**	**6 248 952**	**6 630 014**

2848

BUF Buffalo City - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Surplus/(Deficit)		(223 302)	(53 869)	(55 931)	11 640	(18 672)	(18 672)	(18 672)	922	2 081	837
Transfers recognised - capital		186 251	510 296	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Contributions recognised - capital	6	730	–	–	–	459	459	459	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Share of surplus/ (deficit) of associate	7	(12 088)	5 326	54 223	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(48 408)	461 753	732 795	712 422	702 187	702 187	702 187	851 275	926 800	977 780

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Directorate - Executive Support Services		2 416	622	2 290	500	6 729	6 729	6 729	6 200	500	500
Vote 2 - Directorate - Municipal Manager		–	–	–	7 000	6 500	6 500	6 500	21 500	31 891	37 829
Vote 3 - Directorate - Chief Operations Officer		48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Vote 4 - Directorate - Chief Financial Officer		30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Vote 5 - Directorate - Corporate Services		–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Vote 6 - Directorate - Engineering Services		138 192	402 616	648 609	665 696	768 226	768 226	768 226	820 556	713 276	751 198
Vote 7 - Directorate - Development Planning		23 503	101 455	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Vote 8 - Directorate - Health & Public Safety		6 810	6 358	14 385	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Vote 9 - Directorate - Community Services		15 962	20 255	65 195	86 530	130 323	130 323	130 323	94 204	57 662	86 285
Vote 10 - Directorate - Miscellaneous		–	–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Directorate - Executive Support Services		–	–	–	–	–	–	–	–	–	–
Vote 2 - Directorate - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Chief Operations Officer		–	–	–	–	–	–	–	–	–	–
Vote 4 - Directorate - Chief Financial Officer		–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Engineering Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		–	–	–	–	–	–	–	–	–	–
Vote 8 - Directorate - Health & Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 9 - Directorate - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 10 - Directorate - Miscellaneous		–	–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote		**217 464**	**593 485**	**844 194**	**942 007**	**1 168 745**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard											
Governance and administration		32 949	26 110	43 749	34 950	47 597	47 597	47 597	59 300	63 091	49 329
Executive and council		2 416	622	2 290	7 500	13 229	13 229	13 229	27 700	32 391	38 329
Budget and treasury office		30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
Corporate services		–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
Community and public safety		13 847	44 632	60 197	140 467	208 795	208 795	208 795	305 568	394 150	494 520
Community and social services		5 141	–	4 147	12 500	16 223	16 223	16 223	40 269	17 500	46 460
Sport and recreation		1 849	1 582	2 343	28 030	21 516	21 516	21 516	32 225	24 750	38 825
Public safety		5 973	6 358	13 732	9 800	14 871	14 871	14 871	21 650	28 540	22 655
Housing		48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
Health		837	–	653	–	–	–	–	–	–	–
Economic and environmental services		28 217	246 316	357 416	262 895	390 442	390 442	390 442	333 221	423 611	449 922
Planning and development		10 585	101 008	32 934	54 895	51 543	51 543	51 543	68 221	163 611	225 022
Road transport		17 276	143 551	280 275	198 000	327 199	327 199	327 199	265 000	260 000	224 900
Environmental protection		356	1 757	44 207	10 000	11 700	11 700	11 700	–	–	–
Trading services		142 095	275 981	382 380	503 196	521 410	521 410	521 410	529 266	450 688	496 798
Electricity		48 802	65 683	106 855	152 999	144 756	144 756	144 756	158 500	171 500	111 500
Water		63 583	71 359	98 505	97 689	96 898	96 898	96 898	91 000	91 000	91 000
Waste water management		22 982	122 022	162 523	216 508	198 873	198 873	198 873	258 056	172 776	293 298
Waste management		6 728	16 916	14 497	36 000	80 884	80 884	80 884	21 710	15 412	1 000
Other		355	447	452	500	500	500	500	48 000	18 000	30 500
Total Capital Expenditure - Standard	3	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069
Funded by:											
National Government		144 991	515 570	734 503	671 925	664 712	664 712	664 712	742 884	818 419	911 943
Provincial Government		6 010	–	–	28 857	55 688	55 688	55 688	107 469	106 300	65 000
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	151 001	515 570	734 503	700 782	720 400	720 400	720 400	850 353	924 719	976 943
Public contributions & donations	5	730	–	–	–	459	459	459	–	–	–
Borrowing	6	17 674	18 146	–	–	–	–	–	–	–	–
Internally generated funds		48 059	59 769	109 692	241 226	447 886	447 886	447 886	425 002	424 821	544 126
Total Capital Funding	7	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Directorate - Executive Support Services		2 416	622	2 290	500	6 729	6 729	6 729	6 200	500	500
1.1 - Office of The Director of Executive Support		2 416	622	2 290	500	6 270	6 270	6 270	3 000	500	500
1.2 - Executive Mayor, Speaker & Mayoral Committee		–	–	–	–	–	–	–	–	–	–
1.3 - Councillors		–	–	–	–	–	–	–	–	–	–
1.4 - Grants-In-Aid		–	–	–	–	–	–	–	–	–	–
1.5 - Public Participation & Ward Committees		–	–	–	–	–	–	–	1 200	–	–
1.6 - Strategic Support		–	–	–	–	–	–	–	–	–	–
1.7 - Special Programmes		–	–	–	–	–	–	–	–	–	–
1.8 - City Hall		–	–	–	–	–	–	–	2 000	–	–
1.9 - IDP		–	–	–	–	–	–	–	–	–	–
1.10 - G I S Unit		–	–	–	–	–	–	–	–	–	–
1.11 - Development Co-Operation		–	–	–	–	459	459	459	–	–	–
1.12 - Public Relations & International Events		–	–	–	–	–	–	–	–	–	–
1.13 - Research Policy & Knowledge Management Unit		–	–	–	–	–	–	–	–	–	–
Vote 2 - Directorate - Municipal Manager		–	–	–	7 000	6 500	6 500	6 500	21 500	31 891	37 829
2.1 - Office of The Municipal Manager & Support Services		–	–	–	7 000	6 500	6 500	6 500	21 500	31 891	37 829
2.2 - Internal Audit		–	–	–	–	–	–	–	–	–	–
2.3 - Legal Services		–	–	–	–	–	–	–	–	–	–
2.4 - Municipal Public Accounts Committee		–	–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Chief Operations Officer		48	36 692	39 321	90 136	156 185	156 185	156 185	211 424	323 360	386 580
3.1 - Mdantsane Urban Renewal Unit		–	–	–	10 069	–	–	–	–	500	500
3.2 - Office of The Chief Operations Officer		–	–	–	500	500	500	500	–	–	–
3.3 - Housing Department		48	36 692	39 321	79 568	155 685	155 685	155 685	208 924	322 860	386 080
3.4 - Mdantsane Urban Renewal Unit		–	–	–	–	–	–	–	2 500	–	–
Vote 4 - Directorate - Chief Financial Officer		30 533	25 488	2 193	12 350	11 282	11 282	11 282	10 000	10 500	10 500
4.1 - Office of The Director of Finance		30 533	25 488	2 193	500	932	932	932	–	500	500
4.2 - Support Services Office		–	–	–	–	–	–	–	–	–	–
4.3 - Budget Office		–	–	–	–	–	–	–	–	–	–
4.4 - Asset Risk & Financial Services		–	–	–	10 000	10 000	10 000	10 000	10 000	10 000	10 000
4.5 - Supply Chain Management		–	–	–	–	–	–	–	–	–	–
4.6 - Expenditure Office		–	–	–	–	–	–	–	–	–	–
4.7 - Salary Office		–	–	–	–	–	–	–	–	–	–
4.8 - Rates and Valuations Office		–	–	–	–	–	–	–	–	–	–
4.9 - Consolidated Billing & Miscellaneous Revenue Office		–	–	–	350	350	350	350	–	–	–

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
4.10 - Debtors Management Office		–	–	–	–	–	–	–	–	–	–
4.11 - Customer Care Office		–	–	–	1 500	–	–	–	–	–	–
4.12 - Pre-Payment Vending Office		–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		–	–	39 267	15 100	23 086	23 086	23 086	21 600	20 200	500
5.1 - Office of The Director of Corporate Services		–	–	39 267	500	500	500	500	–	500	500
5.2 - Support Services Office		–	–	–	–	–	–	–	–	–	–
5.3 - Administrative & Council Support		–	–	–	–	–	–	–	–	–	–
5.4 - Auxilliary & Telecommunication Support		–	–	–	–	150	150	150	–	–	–
5.5 - General Admin & Telecomm Services		–	–	–	–	–	–	–	–	–	–
5.6 - Management Information Services		–	–	–	10 000	18 016	18 016	18 016	20 000	18 700	–
5.7 - H.R. Administration		–	–	–	2 100	2 100	2 100	2 100	1 600	1 000	–
5.8 - Occupational Risk Management		–	–	–	2 500	2 320	2 320	2 320	–	–	–
5.9 - Labour Relations		–	–	–	–	–	–	–	–	–	–
5.10 - Organisational Development		–	–	–	–	–	–	–	–	–	–
5.11 - Research Policy & Knowledge Management Unit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Engineering Services		138 192	402 616	648 609	665 696	768 226	768 226	768 226	820 556	713 276	751 198
6.1 - Office of The Director of Engineering Services		–	–	–	500	500	500	500	–	500	500
6.2 - City Engineering Building		–	–	–	–	–	–	–	–	–	–
6.3 - Chiselhurst Beacon Bay & Kwt Depot		–	–	–	–	–	–	–	–	–	–
6.4 - Beacon Bay Civic Centre		–	–	–	–	–	–	–	–	–	–
6.5 - Scientific Services		–	–	–	–	–	–	–	–	–	–
6.6 - Night Soil Removal - Coastal		–	–	–	–	–	–	–	–	–	–
6.7 - Night Soil Removal - Central		–	–	–	–	–	–	–	–	–	–
6.8 - Night Soil Removal - Inland		–	–	–	–	–	–	–	–	–	–
6.9 - Sewerage Admin		64 447	122 022	162 523	216 508	199 323	199 323	199 323	258 056	172 276	293 298
6.10 - Sewerage Pump Station - Coastal		–	–	–	–	–	–	–	–	–	–
6.11 - Sewerage Pump Station - Central		–	–	–	–	–	–	–	–	–	–
6.12 - Sewerage Pump Station - Inland		–	–	–	–	–	–	–	–	–	–
6.13 - Sewerage Treatment - Coastal		–	–	–	–	–	–	–	–	–	–
6.14 - Sewerage Treatment - Central		–	–	–	–	–	–	–	–	–	–
6.15 - Sewerage Treatment - Inland		–	–	–	–	–	–	–	–	–	–
6.16 - Sewerage Reticulation - Coastal		–	–	–	–	–	–	–	–	–	–
6.17 - Sewerage Reticulation - Central		–	–	–	–	–	–	–	–	–	–
6.18 - Sewerage Reticulation - Inland		–	–	–	–	–	–	–	–	–	–
6.19 - Sewerage Interceptors		–	–	–	–	–	–	–	–	–	–
6.20 - Water Administration		20 586	–	–	97 689	96 448	96 448	96 448	91 000	91 000	91 000
6.21 - Water Miscellaneous		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
6.22 - Maden Dam		–	–	–	–	–	–	–	–	–	–
6.23 - Bridle Drift Dam		–	–	–	–	–	–	–	–	–	–
6.24 - Bulk Pumping Stations		–	–	–	–	–	–	–	–	–	–
6.25 - Water Treatment Works		–	71 359	98 505	–	–	–	–	–	–	–
6.26 - Umzonyana Water Treatment Works		–	–	–	–	–	–	–	–	–	–
6.27 - Needs Camp Water Treatment Works		–	–	–	–	–	–	–	–	–	–
6.28 - KWT Water Treatment Works		–	–	–	–	–	–	–	–	–	–
6.29 - Mdantsane Bulk Pumping		–	–	–	–	–	–	–	–	–	–
6.30 - Water Ops and Maint. - Inland		–	–	–	–	–	–	–	–	–	–
6.31 - Water Ops and Maint. - Midland		–	–	–	–	–	–	–	–	–	–
6.32 - Water Ops and Maint. - Coastal		–	–	–	–	–	–	–	–	–	–
6.33 - Construction Distribution		–	–	–	–	–	–	–	–	–	–
6.34 - Roads Administration		17 276	–	–	198 000	327 199	327 199	327 199	265 000	260 000	224 900
6.35 - Roads Design		–	–	–	–	–	–	–	–	–	–
6.36 - Roads and Stormwater Drainage		–	143 551	280 275	–	–	–	–	–	–	–
6.37 - Provincial Main Roads		–	–	–	–	–	–	–	–	–	–
6.38 - Project Management and Implementation Branch		–	–	–	–	–	–	–	–	–	–
6.39 - Project Management Unit		–	–	–	–	–	–	–	–	–	–
6.40 - Mechanical Workshop - Westbank		–	–	–	–	–	–	–	–	–	–
6.41 - Fleet Management - Westbank		–	–	–	–	–	–	–	–	–	–
6.42 - Mechanical Workshop - Braelyn		–	–	452	–	–	–	–	–	–	–
6.43 - Fleet Management - Braelyn		–	–	–	18 300	25 298	25 298	25 298	48 000	18 000	30 000
6.44 - Electricity Administration		–	–	–	–	–	–	–	158 500	171 500	111 500
6.45 - Electricity Distribution Supervisory Staff		–	–	–	–	–	–	–	–	–	–
6.46 - Electricity Planning & Design		35 882	65 683	106 855	134 699	119 458	119 458	119 458	–	–	–
6.47 - Revenue Protection		–	–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		**23 503**	**101 455**	**32 934**	**54 895**	**51 543**	**51 543**	**51 543**	**68 221**	**163 611**	**225 022**
7.1 - Office of The Director of Planning & Economic Dev.		–	–	–	500	500	500	500	10 821	32 255	55 500
7.2 - Development Planning Administration		23 503	–	32 934	–	–	–	–	–	–	–
7.3 - Housing Department		–	–	–	–	–	–	–	–	–	–
7.4 - Berlin Transit Camp		–	–	–	–	–	–	–	–	–	–
7.5 - Garcia Flats		–	–	–	–	–	–	–	–	–	–
7.6 - Gompo Hostel		–	–	–	–	–	–	–	–	–	–
7.7 - Gonubie Sub-Economic Scheme 1		–	–	–	–	–	–	–	–	–	–
7.8 - Gonubie Sub-Economic Scheme 2		–	–	–	–	–	–	–	–	–	–
7.9 - Pefferville 619		–	–	–	–	–	–	–	–	–	–
7.10 - Kwt Housing Staff and Rents and Leases		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
7.11 - City Planning		–	–	–	–	5 395	5 395	5 395	–	–	–
7.12 - Architecture		–	–	–	5 000	550	550	550	4 400	3 000	1 400
7.13 - Land Administration		–	–	–	5 500	5 500	5 500	5 500	–	–	–
7.14 - Land Surveying		–	–	–	–	–	–	–	–	–	–
7.15 - Property Administrarion		–	–	–	–	–	–	–	–	–	–
7.16 - Building Maintenance - Coastal / Central		–	–	–	9 895	891	891	891	3 000	20 250	16 250
7.17 - Electricity House		–	–	–	–	–	–	–	–	–	–
7.18 - Buxton House		–	–	–	–	–	–	–	–	–	–
7.19 - Munifin Centre		–	–	–	–	–	–	–	–	–	–
7.20 - Braelyn Depot		–	–	–	–	–	–	–	–	–	–
7.21 - Chiselhurst Beacon Bay & Kwt Depot		–	–	–	–	–	–	–	–	–	–
7.22 - Gonubie Public & Council Buildings		–	–	–	–	–	–	–	–	–	–
7.23 - Mdantsane Zone Office		–	–	–	–	–	–	–	–	–	–
7.24 - KWT Civic (Admin) Buildings		–	–	–	–	–	–	–	–	–	–
7.25 - Miscellaneous		–	–	–	–	–	–	–	–	–	–
7.26 - Ilitha Small Business Centre		–	–	–	–	–	–	–	–	–	–
7.27 - Phakamisa Small Business Centre		–	–	–	–	–	–	–	–	–	–
7.28 - Signage Control		–	–	–	–	–	–	–	–	300	200
7.29 - Old Mutual Building		–	–	–	–	–	–	–	–	–	–
7.30 - Transport Planning & Operations Admin		–	101 008	–	24 000	28 707	28 707	28 707	30 000	97 806	121 672
7.31 - Traffic Engineering		–	–	–	–	–	–	–	–	–	–
7.32 - Traffic Signal Maintenance		–	–	–	–	–	–	–	–	–	–
7.33 - Buffalo City Bus Services		–	–	–	–	–	–	–	–	–	–
7.34 - BCMET		–	–	–	–	–	–	–	–	–	–
7.35 - Local Economic Development		–	–	–	10 000	10 000	10 000	10 000	20 000	10 000	30 000
7.36 - Market		–	447	–	–	–	–	–	–	–	–
Vote 8 - Directorate - Health & Public Safety		**6 810**	**6 358**	**14 385**	**9 800**	**14 871**	**14 871**	**14 871**	**21 650**	**28 540**	**22 655**
8.1 - Office of The Director of Health & Public Safety		5 973	–	–	500	500	500	500	–	500	500
8.2 - Support Services		–	–	–	–	–	–	–	–	–	–
8.3 - Health Administration		837	–	653	–	–	–	–	–	–	–
8.4 - Health Support		–	–	–	–	–	–	–	–	–	–
8.5 - Pharmacy		–	–	–	–	–	–	–	–	–	–
8.6 - Clinics		–	–	–	–	–	–	–	–	–	–
8.7 - Aids Training Information Centre		–	–	–	–	–	–	–	–	–	–
8.8 - Environmental Health		–	–	–	–	–	–	–	950	2 250	950
8.9 - Pest Control		–	–	–	–	–	–	–	–	–	–
8.10 - Pollution Control		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
8.11 - Educare Centre		–	–	–	–	–	–	–	–	–	–
8.12 - Public Safety Administration		–	–	–	–	–	–	–	–	–	–
8.13 - Fire and Rescue Services		–	–	–	4 000	5 766	5 766	5 766	9 000	6 000	4 000
8.14 - Security Services		–	6 358	13 732	2 100	5 236	5 236	5 236	3 700	4 500	5 600
8.15 - Traffic Administration		–	–	–	–	–	–	–	–	–	–
8.16 - Traffic Control		–	–	–	3 200	2 370	2 370	2 370	7 000	7 900	7 500
8.17 - Criminal Process		–	–	–	–	–	–	–	–	–	–
8.18 - Vehicle Test Station / Examination		–	–	–	–	999	999	999	1 000	4 000	1 000
8.19 - Vehicle Registration		–	–	–	–	–	–	–	–	–	–
8.20 - Drivers License Testing		–	–	–	–	–	–	–	–	–	–
8.21 - Traffic Technical Services		–	–	–	–	–	–	–	–	–	–
8.22 - Parking Areas / Meters		–	–	–	–	–	–	–	–	–	–
8.23 - Disaster Management		–	–	–	–	–	–	–	–	3 390	3 105
8.24 - Dog Tax Office		–	–	–	–	–	–	–	–	–	–
Vote 9 - Directorate - Community Services		**15 962**	**20 255**	**65 195**	**86 530**	**130 323**	**130 323**	**130 323**	**94 204**	**57 662**	**86 285**
9.1 - Office of The Director of Community Services		6 675	–	4 147	500	500	500	500	–	–	–
9.2 - Cleansing Administration Support		–	–	–	–	–	–	–	–	–	500
9.3 - Environmental Administration Support		356	–	44 207	–	–	–	–	–	500	18 760
9.4 - Environmental Services		–	–	–	2 000	3 685	3 685	3 685	–	–	–
9.5 - Environmental Conservation		–	–	–	–	–	–	–	–	–	–
9.6 - Environmental Workshop		–	–	–	–	–	–	–	–	–	–
9.7 - Interments		–	1 757	–	10 000	11 700	11 700	11 700	8 000	8 000	8 000
9.8 - Gompo Admin Building		–	–	–	–	–	–	–	–	–	–
9.9 - Integrated Environmental Management		–	–	–	–	–	–	–	–	–	–
9.10 - Arts & Cultural Services Admin		–	–	–	–	–	–	–	–	–	–
9.11 - Libraries		–	–	–	–	–	–	–	–	–	–
9.12 - Art Gallery		–	–	–	–	–	–	–	–	–	–
9.13 - Art Centres		–	–	–	–	–	–	–	–	–	–
9.14 - Halls		–	–	–	10 000	12 038	12 038	12 038	27 069	9 000	9 000
9.15 - Amenities Administration Support		–	–	–	–	–	–	–	–	–	–
9.16 - Sportsfields		1 849	1 582	2 343	23 030	16 916	16 916	16 916	21 200	19 750	12 750
9.17 - Swimming Pools		–	–	–	2 000	3 068	3 068	3 068	2 500	–	5 000
9.18 - Aquarium		–	–	–	1 000	1 000	1 000	1 000	5 200	5 000	17 200
9.19 - Zoo		–	–	–	1 000	600	600	600	6 525	–	11 575
9.20 - Beaches		–	–	–	1 000	1 000	1 000	1 000	2 000	–	2 500
9.21 - Resorts		–	–	–	–	–	–	–	–	–	–
9.22 - Cleansing Administration Support		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
9.23 - Refuse Removal		6 728	16 916	14 497	–	8 805	8 805	8 805	–	–	–
9.24 - Waste Disposal Sites		355	–	–	–	–	–	–	–	–	–
9.25 - Street Sweeping		–	–	–	–	–	–	–	–	–	–
9.26 - Public Conveniences		–	–	–	–	–	–	–	–	–	–
9.27 - E.L Regional Waste Disposal Site & Transfer Station		–	–	–	36 000	71 011	71 011	71 011	21 710	15 412	1 000
Vote 10 - Directorate - Miscellaneous		–	–	–	–	–	–	–	–	–	–
10.1 - IDP		–	–	–	–	–	–	–	–	–	–
10.2 - Development Co-Operation		–	–	–	–	–	–	–	–	–	–
10.3 - Strategic Support		–	–	–	–	–	–	–	–	–	–
10.4 - Local Economic Development		–	–	–	–	–	–	–	–	–	–
10.5 - Integrated Environmental Management		–	–	–	–	–	–	–	–	–	–
10.6 - Market		–	–	–	–	–	–	–	–	–	–
10.7 - BCMM Restated		–	–	–	–	–	–	–	–	–	–
10.8 - BCDA		–	–	–	–	–	–	–	–	–	–
10.9 - Taxation		–	–	–	–	–	–	–	–	–	–
10.10 - Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–
10.11 - Transfer to/from other reserves		–	–	–	–	–	–	–	–	–	–
10.12 - Transfer Recognised - Capital		–	–	–	–	–	–	–	–	–	–
10.13 - Contributions Recognised - Capital		–	–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–	–
11.1 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–	–
12.1 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–	–
13.1 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–	–
14.1 - Vacant		–	–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–	–
15.1 - Vacant		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 168 745	1 275 354	1 349 540	1 521 069

BUF Buffalo City - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		57 758	144 847	198 064	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Call investment deposits	1	1 464 211	1 698 468	1 966 369	1 233 269	979 567	979 567	979 567	2 303 434	2 341 401	2 453 883
Consumer debtors	1	458 786	596 220	564 204	1 160 451	1 160 451	1 160 451	771 726	671 945	709 802	745 981
Other debtors		36 505	67 564	67 726	90 203	90 203	90 203	90 203	98 188	108 000	118 800
Current portion of long-term receivables		13	14	16	14	14	14	14	14	14	14
Inventory	2	117 116	59 365	50 598	88 000	88 000	88 000	88 000	96 800	106 480	117 130
Total current assets		**2 134 391**	**2 566 478**	**2 846 977**	**2 651 937**	**2 398 235**	**2 398 235**	**2 009 510**	**3 250 381**	**3 345 698**	**3 515 808**
Non current assets											
Long-term receivables		57	43	27	60	60	60	60	60	60	60
Investments		857	892	–	–	–	–	–	–	–	–
Investment property		320 298	302 981	333 278	374 000	374 000	374 000	374 000	411 400	452 540	498 000
Investment in Associate		–	5 326	59 549	–	–	–	–	–	–	–
Property, plant and equipment	3	10 229 562	10 108 484	10 287 666	11 966 257	11 966 257	11 966 257	10 634 150	11 197 291	11 808 516	12 559 495
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		12 112	3 851	30 497	20 730	20 730	20 730	20 730	22 800	25 080	28 000
Other non-current assets		59 028	61 816	64 286	68 330	68 330	68 330	68 330	75 160	82 680	90 950
Total non current assets		**10 621 914**	**10 483 393**	**10 775 303**	**12 429 377**	**12 429 377**	**12 429 377**	**11 097 270**	**11 706 711**	**12 368 876**	**13 176 505**
TOTAL ASSETS		**12 756 305**	**13 049 871**	**13 622 280**	**15 081 314**	**14 827 612**	**14 827 612**	**13 106 780**	**14 957 092**	**15 714 574**	**16 692 314**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	41 997	51 657	57 416	54 633	54 633	54 633	54 633	46 097	50 709	47 642
Consumer deposits		36 920	45 519	44 838	49 140	49 140	49 140	49 140	54 050	60 000	66 000
Trade and other payables	4	1 191 840	1 033 311	845 353	737 100	737 100	737 100	737 100	774 300	773 300	813 000
Provisions		113 922	131 340	141 165	144 560	144 560	144 560	144 560	151 780	167 000	183 700
Total current liabilities		**1 384 679**	**1 261 827**	**1 088 772**	**985 433**	**985 433**	**985 433**	**985 433**	**1 026 227**	**1 051 009**	**1 110 342**
Non current liabilities											
Borrowing		605 246	600 830	545 999	546 515	546 515	546 515	546 515	500 418	449 709	401 551
Provisions		406 450	377 703	442 125	544 620	544 620	544 620	544 620	599 090	658 800	724 680
Total non current liabilities		**1 011 696**	**978 533**	**988 124**	**1 091 135**	**1 091 135**	**1 091 135**	**1 091 135**	**1 099 508**	**1 108 509**	**1 126 231**
TOTAL LIABILITIES		**2 396 375**	**2 240 360**	**2 076 896**	**2 076 568**	**2 076 568**	**2 076 568**	**2 076 568**	**2 125 735**	**2 159 518**	**2 236 573**
NET ASSETS	5	**10 359 930**	**10 809 511**	**11 545 384**	**13 004 746**	**12 751 044**	**12 751 044**	**11 030 212**	**12 831 357**	**13 555 056**	**14 455 741**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		7 913 292	8 393 971	9 138 881	10 327 810	10 074 108	10 074 108	8 353 276	10 020 574	10 603 734	11 356 841
Reserves	4	2 446 638	2 415 540	2 406 503	2 676 936	2 676 936	2 676 936	2 676 936	2 810 783	2 951 322	3 098 900
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**10 359 930**	**10 809 511**	**11 545 384**	**13 004 746**	**12 751 044**	**12 751 044**	**11 030 212**	**12 831 357**	**13 555 056**	**14 455 741**

BUF Buffalo City - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		522 514	580 100	672 957	745 363	760 913	760 913	760 913	831 140	910 364	995 236
Service charges		1 754 710	1 965 059	2 198 960	2 278 689	2 254 944	2 254 944	2 254 944	2 471 802	2 751 180	3 060 448
Other revenue		131 123	287 662	433 692	553 197	570 413	570 413	570 413	657 180	695 208	733 234
Government - operating	1	722 264	723 457	812 167	825 736	929 301	929 301	929 301	1 149 387	1 235 370	1 146 031
Government - capital	1	186 251	506 406	734 503	700 782	720 859	720 859	720 859	850 353	924 719	976 943
Interest		82 656	106 184	123 654	106 874	106 874	106 874	106 874	152 531	158 829	165 433
Dividends		–	–	–	0	–	–	–	0	–	–
Payments											
Suppliers and employees		(2 619 536)	(2 808 957)	(3 308 223)	(3 507 515)	(3 675 516)	(3 675 516)	(3 675 516)	(4 448 581)	(4 906 784)	(5 204 046)
Finance charges		(70 499)	(67 259)	(65 777)	(59 248)	(59 248)	(59 248)	(59 248)	(54 313)	(49 286)	(44 055)
Transfers and Grants	1	(112 388)	(115 922)	(144 964)	(204 013)	(195 638)	(195 638)	(195 638)	(258 568)	(281 382)	(305 855)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**597 097**	**1 176 732**	**1 456 969**	**1 439 866**	**1 412 901**	**1 412 901**	**1 412 901**	**1 350 929**	**1 438 217**	**1 523 370**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 610	18 168	767	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		12	13	14	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(37)	(36)	892	–	–	–	–	–	–	–
Payments											
Capital assets		(217 896)	(608 431)	(843 732)	(942 007)	(1 168 745)	(1 168 745)	(1 168 745)	(1 275 354)	(1 349 540)	(1 521 069)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(215 310)**	**(590 286)**	**(842 058)**	**(942 007)**	**(1 168 745)**	**(1 168 745)**	**(1 168 745)**	**(1 275 354)**	**(1 349 540)**	**(1 521 069)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		441 524	(278 943)	(244 040)	–	–	–	–	–	–	157 823
Increase (decrease) in consumer deposits		3 466	8 599	(681)	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(45 020)	5 243	(49 072)	(54 633)	(54 633)	(54 633)	(54 633)	(46 097)	(50 709)	(47 642)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**399 970**	**(265 100)**	**(293 793)**	**(54 633)**	**(54 633)**	**(54 633)**	**(54 633)**	**(46 097)**	**(50 709)**	**110 181**
NET INCREASE/ (DECREASE) IN CASH HELD		**781 756**	**321 346**	**321 118**	**443 225**	**189 523**	**189 523**	**189 523**	**29 477**	**37 968**	**112 482**
Cash/cash equivalents at the year begin:	2	**740 212**	**1 521 969**	**1 843 315**	**870 044**	**870 044**	**2 164 433**	**2 164 433**	**2 353 956**	**2 383 434**	**2 421 401**
Cash/cash equivalents at the year end:	2	**1 521 969**	**1 843 315**	**2 164 433**	**1 313 269**	**1 059 567**	**2 353 956**	**2 353 956**	**2 383 434**	**2 421 401**	**2 533 883**

BUF Buffalo City - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Other current investments > 90 days		0	0	0	(0)	(0)	(1 294 389)	(1 294 389)	–	–	–
Non current assets - Investments	1	857	892	–	–	–	–	–	–	–	–
Cash and investments available:		**1 522 826**	**1 844 207**	**2 164 433**	**1 313 269**	**1 059 567**	**1 059 567**	**1 059 567**	**2 383 434**	**2 421 401**	**2 533 883**
Application of cash and investments											
Unspent conditional transfers		739 538	460 596	216 555	107 100	107 100	107 100	107 100	112 800	78 300	83 000
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	1 511	(29 270)	35 391	(530 505)	(530 527)	(530 527)	(169 832)	(41 821)	(51 877)	(59 811)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**741 049**	**431 326**	**251 946**	**(423 405)**	**(423 427)**	**(423 427)**	**(62 732)**	**70 979**	**26 423**	**23 189**
Surplus(shortfall)		**781 777**	**1 412 881**	**1 912 487**	**1 736 674**	**1 482 994**	**1 482 994**	**1 122 299**	**2 312 455**	**2 394 978**	**2 510 694**

BUF Buffalo City - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	217 464	593 485	844 194	402 186	546 773	546 773	529 928	726 859	790 671
Infrastructure - Road transport		37 593	253 915	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Infrastructure - Electricity		45 177	55 173	98 209	45 500	39 087	39 087	66 500	63 500	63 500
Infrastructure - Water		62 613	74 565	87 476	–	–	–	–	–	–
Infrastructure - Sanitation		21 450	120 669	170 238	–	–	–	–	–	–
Infrastructure - Other		–	–	8 488	70 000	118 522	118 522	71 710	134 218	163 672
Infrastructure		*166 835*	*504 323*	*710 192*	*225 500*	*271 349*	*271 349*	*158 210*	*277 718*	*267 172*
Community		6 763	15 988	56 128	22 000	24 960	24 960	35 069	17 000	24 000
Heritage assets		–	–	2 555	–	–	–	–	–	–
Investment properties		–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Other assets	6	40 639	73 175	47 819	65 150	94 078	94 078	125 375	109 281	113 419
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		3 227	–	27 501	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	539 821	621 972	621 972	745 427	622 681	730 398
Infrastructure - Road transport		–	–	–	88 000	213 459	213 459	245 000	180 000	184 900
Infrastructure - Electricity		–	–	–	89 199	80 000	80 000	92 000	108 000	48 000
Infrastructure - Water		–	–	–	97 689	96 898	96 898	91 000	91 000	91 000
Infrastructure - Sanitation		–	–	–	216 508	198 873	198 873	–	–	–
Infrastructure - Other		–	–	–	–	–	–	258 056	172 276	293 298
Infrastructure		–	–	–	*491 396*	*589 230*	*589 230*	*686 056*	*551 276*	*617 198*
Community		–	–	–	28 030	21 516	21 516	30 700	24 750	38 250
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	20 395	11 226	11 226	28 671	46 655	74 950
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		37 593	253 915	345 781	198 000	327 199	327 199	265 000	260 000	224 900
Infrastructure - Electricity		45 177	55 173	98 209	134 699	119 087	119 087	158 500	171 500	111 500
Infrastructure - Water		62 613	74 565	87 476	97 689	96 898	96 898	91 000	91 000	91 000
Infrastructure - Sanitation		21 450	120 669	170 238	216 508	198 873	198 873	–	–	–
Infrastructure - Other		–	–	8 488	70 000	118 522	118 522	329 766	306 494	456 970
Infrastructure		*166 835*	*504 323*	*710 192*	*716 896*	*860 579*	*860 579*	*844 266*	*828 994*	*884 370*
Community		6 763	15 988	56 128	50 030	46 476	46 476	65 769	41 750	62 250
Heritage assets		–	–	2 555	–	–	–	–	–	–
Investment properties		–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Other assets		40 639	73 175	47 819	85 545	105 304	105 304	154 046	155 936	188 369

BUF Buffalo City - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		3 227	–	27 501	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**217 464**	**593 485**	**844 194**	**842 007**	**1 168 745**	**1 168 745**	**1 275 354**	**1 349 540**	**1 521 069**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		2 214 774	4 380 374	4 274 625	1 635 518	1 764 717	1 764 717	1 635 518	1 851 018	2 066 018
Infrastructure - Electricity		1 506 478	1 404 499	1 378 045	1 682 635	1 667 023	1 667 023	1 682 635	1 898 135	2 001 635
Infrastructure - Water		1 411 416	1 237 951	1 254 091	1 511 164	1 510 373	1 510 373	1 511 164	1 726 664	1 785 664
Infrastructure - Sanitation		1 167 009	1 125 476	1 139 469	1 713 536	1 695 901	1 695 901	1 713 536	1 929 036	2 128 036
Infrastructure - Other		–	–	–	3 860 823	3 860 640	3 860 640	2 961 380	3 235 969	3 833 495
Infrastructure		*6 299 676*	*8 148 300*	*8 046 230*	*10 403 676*	*10 498 655*	*10 498 655*	*9 504 233*	*10 640 822*	*11 814 848*
Community		221 217	629 330	585 067	415 737	483 435	483 435	415 737	415 737	415 737
Heritage assets		3 421	40 181	40 181	43 955	43 955	43 955	43 955	43 955	43 955
Investment properties		320 298	302 981	333 278	374 000	374 000	374 000	411 400	452 540	498 000
Other assets		5 036 982	1 411 752	1 421 423	1 102 889	1 120 536	1 120 536	1 102 889	1 112 249	1 386 202
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		12 112	3 851	30 497	20 730	20 730	20 730	22 800	25 080	28 000
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**11 893 707**	**10 536 394**	**10 456 676**	**12 360 987**	**12 541 311**	**12 541 311**	**11 501 014**	**12 690 383**	**14 186 742**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		675 702	701 504	644 163	710 000	710 000	710 000	712 213	738 315	770 090
Repairs and Maintenance by Asset Class	3	219 321	263 702	285 686	332 249	327 749	327 749	372 010	416 995	450 612
Infrastructure - Road transport		35 099	62 067	62 764	86 549	86 549	86 549	108 529	123 456	140 622
Infrastructure - Electricity		78 890	100 347	103 884	111 151	109 151	109 151	112 550	127 728	127 926
Infrastructure - Water		37 049	26 976	30 866	37 061	37 061	37 061	42 435	48 461	55 246
Infrastructure - Sanitation		19 208	19 486	23 221	25 287	25 287	25 287	29 620	32 346	35 257
Infrastructure - Other		15 821	11 948	15 494	20 136	17 636	17 636	22 885	24 990	27 240
Infrastructure		*186 067*	*220 824*	*236 228*	*280 184*	*275 684*	*275 684*	*316 019*	*356 981*	*386 290*
Community		14 857	19 435	22 165	16 749	16 663	16 663	17 874	19 103	20 415
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	18 397	23 443	27 293	35 315	35 401	35 401	38 117	40 910	43 908
TOTAL EXPENDITURE OTHER ITEMS		**895 023**	**965 206**	**929 849**	**1 042 249**	**1 037 749**	**1 037 749**	**1 084 223**	**1 155 309**	**1 220 702**
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*57.3%*	*53.2%*	*53.2%*	*58.4%*	*46.1%*	*48.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*76.0%*	*87.6%*	*87.6%*	*104.7%*	*84.3%*	*94.8%*
R&M as a % of PPE		*2.1%*	*2.6%*	*2.8%*	*2.8%*	*2.7%*	*2.7%*	*3.3%*	*3.5%*	*3.6%*
Renewal and R&M as a % of PPE		*2.0%*	*3.0%*	*3.0%*	*7.0%*	*8.0%*	*8.0%*	*10.0%*	*8.0%*	*8.0%*

BUF Buffalo City - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		103 000	104 000	103 000	104 000	105 000	106 000	105 000	106 000	107 000
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	115 000	120 000	120 000	120 000	121 000	122 000	122 000	123 000	123 000
Other water supply (at least min.service level)	4	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093
Minimum Service Level and Above sub-total		223 093	229 093	228 093	229 093	231 093	233 093	232 093	234 093	235 093
Using public tap (< min.service level)	3	1 400	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		6 000	3 000	3 000	3 000	2 000	1 000	1 000	–	–
Below Minimum Service Level sub-total		7 400	4 000	4 000	4 000	3 000	2 000	2 000	1 000	1 000
Total number of households	5	**230 493**	**233 093**	**232 093**	**233 093**	**234 093**	**235 093**	**234 093**	**235 093**	**236 093**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		120 300	120 355	120 155	120 205	120 255	120 305	154 617	154 617	154 617
Flush toilet (with septic tank)		1 329	1 329	1 329	1 329	1 329	1 329	5 428	5 428	5 428
Chemical toilet		–	–	–	–	–	–	3 544	3 544	3 544
Pit toilet (ventilated)		17 695	21 529	21 930	24 230	26 230	28 885	41 009	41 009	41 009
Other toilet provisions (> min.service level)		–	–	405	555	705	–	–	–	–
Minimum Service Level and Above sub-total		139 324	143 213	143 819	146 319	148 519	150 519	204 598	204 598	204 598
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	835	835	835
No toilet provisions		48 118	4 229	43 623	41 123	38 923	36 923	18 135	18 135	18 135
Below Minimum Service Level sub-total		48 118	4 229	43 623	41 123	38 923	36 923	18 970	18 970	18 970
Total number of households	5	**187 442**	**147 442**	**187 442**	**187 442**	**187 442**	**187 442**	**223 568**	**223 568**	**223 568**
Energy:										
Electricity (at least min.service level)		10 000	10 000	9 000	8 000	8 000	8 000	8 846	8 846	8 846
Electricity - prepaid (min.service level)		107 000	105 000	106 000	107 000	107 000	107 000	113 245	113 245	113 245
Minimum Service Level and Above sub-total		117 000	115 000	115 000	115 000	115 000	115 000	122 091	122 091	122 091
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**117 000**	**115 000**	**115 000**	**115 000**	**115 000**	**115 000**	**122 091**	**122 091**	**122 091**
Refuse:										
Removed at least once a week		118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
Minimum Service Level and Above sub-total		118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980
Using own refuse dump		2	2	2	2	2	2	2	2	2
Other rubbish disposal		1	1	1	1	1	1	1	1	1

BUF Buffalo City - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
No rubbish disposal		4	3	3	3	3	3	3	3	3
Below Minimum Service Level sub-total		1 987	1 986	1 986	1 986	1 986	1 986	1 986	1 986	1 986
Total number of households	5	119 987	120 986	120 986	120 986	120 986	120 986	131 986	131 986	131 986
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Sanitation (free minimum level service)		37 088	34 837	42 897	39 016	39 016	39 016	64 100	64 100	64 100
Electricity/other energy (50kwh per household per month)		50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Refuse (removed at least once a week)		27 509	19 191	20 723	37 948	37 948	37 948	34 000	34 000	34 000
Cost of Free Basic Services provided (R'000)	8	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)		23 440	26 991	31 134	35 788	35 788	35 788	39 725	43 976	48 593
Sanitation (free sanitation service)		28 960	30 370	41 356	41 547	41 547	41 547	74 773	81 653	89 001
Electricity/other energy (50kwh per household per month)		28 256	32 070	35 277	38 276	38 276	38 276	42 945	48 184	54 063
Refuse (removed once a week)		35 906	28 282	34 467	71 102	71 102	71 102	69 661	76 070	82 916
Total cost of FBS provided (minimum social package)		116 562	117 713	142 234	186 713	186 713	186 713	227 105	249 883	274 574
Highest level of free service provided										
Property rates (R value threshold)		150 000	150 000	150 000	151 240	151 240	151 240	151 240	151 240	151 240
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		59	65	72	89	89	89	97	106	116
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		170	170	170	170	170	170	170	170	170
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		–	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)		23 479	24 855	33 846	41 050	41 050	41 050	61 519	67 425	73 763
Water		23 440	26 991	31 134	35 788	35 788	35 788	39 725	43 976	48 593
Sanitation		28 960	30 370	41 356	41 547	41 547	41 547	74 773	81 653	89 001
Electricity/other energy		28 256	32 070	35 277	38 276	38 276	38 276	42 945	48 184	54 063
Refuse		35 906	28 282	34 467	71 102	71 102	71 102	69 661	76 070	82 916
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		5 726	6 061	8 254	13 312	13 312	13 312	13 788	15 111	16 532
Total revenue cost of free services provided (total social package)		145 766	148 629	184 335	241 075	241 075	241 075	302 412	332 419	364 868

BUF Buffalo City - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		544 666	602 867	699 173	827 431	844 062	844 062	844 062	937 143	1 027 135	1 123 714
less Revenue Foregone		22 152	22 767	26 216	30 764	30 764	30 764	30 764	34 301	38 246	42 644
Net Property Rates		522 514	580 100	672 957	796 668	813 298	813 298	813 298	902 842	988 889	1 081 070
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		1 137 198	1 266 660	1 383 884	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
less Revenue Foregone											
Net Service charges - electricity revenue		1 137 198	1 266 660	1 383 884	1 511 514	1 478 315	1 478 315	1 478 315	1 658 671	1 861 029	2 088 074
Service charges - water revenue	6										
Total Service charges - water revenue		239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
less Revenue Foregone											
Net Service charges - water revenue		239 552	271 026	325 360	370 613	370 613	370 613	370 613	411 381	455 398	503 215
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
less Revenue Foregone											
Net Service charges - sanitation revenue		197 958	223 023	248 673	271 995	287 272	287 272	287 272	314 571	343 522	374 452
Service charges - refuse revenue	6										
Total refuse removal revenue		175 341	198 898	226 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone		–	–	–	–	–	–	–	–	–	–
Net Service charges - refuse revenue		175 341	198 898	226 895	251 704	261 244	261 244	261 244	286 063	312 380	340 494
Other Revenue by source											
Fuel Levy		170 477	317 781	343 412	361 639	361 639	361 639	361 639	370 461	384 488	397 824
Electricity vending station commission		14 174	15 572	17 176	19 731	19 731	19 731	19 731	21 605	23 658	25 858
Fire levy charges		40 781	46 279	52 485	56 669	58 068	58 068	58 068	63 817	69 943	76 518
Plan approval fees		4 459	5 165	7 247	8 984	8 984	8 984	8 984	9 837	10 772	11 774
Reconnection fees		247	3 446	14 261	12 606	12 606	12 606	12 606	13 804	15 115	16 521
Electricity service connection fees		6 930	8 553	14 607	10 000	10 000	10 000	10 000	10 000	10 000	10 000
Vehicle registration		28 802	30 696	32 939	38 678	38 678	38 678	38 678	42 352	46 376	50 689
Other revenue		43 603	92 324	104 860	53 425	53 425	53 425	53 425	131 054	139 032	146 300
Internal transfers - Recoveries		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	3										
Total 'Other' Revenue	1	309 474	519 815	586 988	561 732	563 131	563 131	563 131	662 931	699 384	735 483
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	602 172	610 444	657 585	784 174	787 502	787 502	787 502	849 245	896 803	947 024
Pension and UIF Contributions		110 356	112 547	120 364	139 337	140 380	140 380	140 380	155 412	164 115	173 305
Medical Aid Contributions		40 410	42 218	46 872	57 820	58 347	58 347	58 347	96 231	101 620	107 311
Overtime		50 916	62 099	80 707	57 128	57 148	57 148	57 148	60 348	63 728	67 297
Performance Bonus		50 148	49 567	53 860	63 498	63 723	63 723	63 723	71 335	75 645	79 881
Motor Vehicle Allowance		18 718	17 417	18 631	27 605	27 069	27 069	27 069	29 885	31 558	33 325
Cellphone Allowance		–	–	–	–	–	–	–	–	–	–
Housing Allowances		3 770	3 509	3 219	7 390	7 377	7 377	7 377	10 145	10 145	10 145
Other benefits and allowances		42 362	50 666	111 073	70 502	69 966	69 966	69 966	90 647	95 536	100 686
Payments in lieu of leave		25 320	20 868	22 094	13 000	13 000	13 000	13 000	7 307	7 819	8 366
Long service awards		12 194	13 225	14 840	16 760	16 613	16 613	16 613	17 064	18 020	19 029
Post-retirement benefit obligations	4	–	–	–	–	–	–	–	–	–	–
sub-total	5	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	956 366	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 241 125	1 387 619	1 464 987	1 546 368
Contributions recognised - capital											
Leiden		730	–	–	–	459	459	459	–	–	–
Total Contributions recognised - capital		730	–	–	–	459	459	459	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	675 702	701 504	644 163	710 000	710 000	710 000	710 000	712 213	738 315	770 090
Bulk purchases											
Electricity Bulk Purchases		787 947	900 089	952 084	1 029 452	1 042 381	1 042 381	1 042 381	1 190 815	1 360 388	1 554 107
Water Bulk Purchases		127 440	140 025	158 380	172 404	172 404	172 404	172 404	186 196	201 092	217 179

BUF Buffalo City - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total bulk purchases	1	**915 387**	**1 040 113**	**1 110 464**	**1 201 856**	**1 214 784**	**1 214 784**	**1 214 784**	**1 377 012**	**1 561 480**	**1 771 286**
Transfers and grants											
Cash transfers and grants		588	2 474	13 032	23 951	25 576	25 576	25 576	25 493	26 196	26 941
Non-cash transfers and grants		98 647	96 557	131 925	180 062	170 062	170 062	170 062	233 076	255 187	278 914
Total transfers and grants	1	**99 235**	**99 031**	**144 957**	**204 013**	**195 638**	**195 638**	**195 638**	**258 568**	**281 382**	**305 855**
Contracted services											
List services provided by contract		1 910	2 692	3 003	3 274	4	4	4	3 556	3 862	4 186
Contractor Payments		–	–	–	–	–	–	–	–	–	–
Co-Operatives Contracts		3 338	2 515	2 757	3 006	3 006	3 006	3 006	3 265	3 546	3 843
Grass mowing		–	–	–	–	–	–	–	–	–	–
Landfill Contractor		1 592	2 557	3 984	13 439	11 744	11 744	11 744	14 595	15 850	17 181
One-man contracts		–	–	–	–	–	–	–	–	–	–
Refuse Removal Contracts		–	–	–	190	190	190	190	206	224	243
Transfer Contract		–	–	–	–	–	–	–	–	–	–
sub-total	1	**6 840**	**7 763**	**9 743**	**19 909**	**14 944**	**14 944**	**14 944**	**21 622**	**23 481**	**25 453**
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											

BUF Buffalo City - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total contracted services		6 840	7 763	9 743	19 909	14 944	14 944	14 944	21 622	23 481	25 453
Other Expenditure By Type											
Collection costs		19 746	21 440	24 492	27 520	29 724	29 724	29 724	29 887	32 457	35 184
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Consultant fees		20 986	21 705	28 267	18 090	23 053	23 053	23 053	18 090	18 090	18 090
Audit fees		7 329	9 219	11 692	9 814	9 814	9 814	9 814	10 658	11 575	12 547
General expenses	3	250 076	249 145	278 235	229 616	237 842	237 842	237 842	255 031	258 081	261 302
List Other Expenditure by Type		–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance		219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 995	450 612
Chemicals and disinfectants		12 663	11 573	10 988	12 692	12 692	12 692	12 692	13 784	14 969	16 227
Departmental electricity costs		42 240	44 876	50 668	47 020	47 022	47 022	47 022	50 782	54 845	59 232
Essential user costs		11 863	13 029	14 396	13 466	13 406	13 406	13 406	14 624	15 881	17 216
Diesel fuel oil and petrol		30 790	40 327	39 856	49 753	49 204	49 204	49 204	56 499	59 676	62 924
Hired plant		25 217	21 320	31 848	18 243	28 543	28 543	28 543	18 243	18 243	18 243
Insurance		15 521	15 859	16 112	27 610	27 610	27 610	27 610	27 610	30 371	33 408
Levies - SALGA		9 500	9 800	10 400	10 300	11 096	11 096	11 096	11 955	12 613	13 281
Levies - Skills development		7 599	9 193	10 451	12 242	12 242	12 242	12 242	13 803	14 572	15 380
Poor relief		0	0	7	–	–	–	–	–	–	–
Departmental refuse removal costs		1 505	1 504	1 943	1 635	1 635	1 635	1 635	1 840	2 070	2 324
Rental - Offices (Trust Bank)		6 881	6 894	8 126	9 200	9 200	9 200	9 200	9 991	10 850	11 762
Departmental sanitary costs		3 844	3 059	5 002	5 981	5 916	5 916	5 916	6 609	7 303	8 055
Telephones		20 466	20 499	21 957	14 366	14 666	14 666	14 666	14 366	14 366	14 366
Travel and subsistance allowances		6 197	6 840	11 035	4 972	5 637	5 637	5 637	4 972	4 972	4 972
Departmental water costs		3 906	5 162	7 550	6 389	6 389	6 389	6 389	7 345	8 443	9 688
Housing Projects		31 956	48 765	116 475	103 488	202 333	202 333	202 333	523 856	635 500	529 300
Operating Projects		61 460	74 816	110 983	107 484	139 588	139 588	139 588	147 465	158 351	206 249
RDP housing		10 799	29 535	–	–	–	–	–	–	–	–
Landfill rehab		–	–	–	–	–	–	–	–	–	–
Internal charges		–	–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	819 863	928 261	1 096 168	1 062 130	1 215 362	1 215 362	1 215 362	1 609 419	1 800 222	1 800 361

by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 995	450 612
Total Repairs and Maintenance Expenditure	9	219 321	263 702	285 686	332 249	327 749	327 749	327 749	372 010	416 995	450 612

BUF Buffalo City - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Directorate - Executive Support Services	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Chief Operations Officer	Vote 4 - Directorate - Chief Financial Officer	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Engineering Services	Vote 7 - Directorate - Development Planning	Vote 8 - Directorate - Health & Public Safety	Vote 9 - Directorate - Community Services	Vote 10 - Directorate - Miscellaneous	Vote 11 - Directorate 11 - Vacant	Vote 13 - Directorate 13 - Vacant	Vote 14 - Directorate 14 - Vacant	Vote 15 - Directorate 15 - Vacant	Total
R thousand	1															
Revenue By Source																
Property rates		-	-	-	901 493	-	-	-	-	-	-	-	-	-	-	901 493
Property rates - penalties & collection charges		-	-	-	1 921	-	-	-	-	-	-	-	-	-	-	1 921
Service charges - electricity revenue		-	-	-	-	-	1 656 671	-	-	-	-	-	-	-	-	1 656 671
Service charges - water revenue		-	-	-	-	-	411 381	-	-	-	-	-	-	-	-	411 381
Service charges - sanitation revenue		-	-	-	-	-	296 205	-	-	-	-	-	-	-	-	296 205
Service charges - refuse revenue		-	-	-	-	-	-	-	-	286 063	-	-	-	-	-	286 063
Service charges - other		-	-	-	818	-	33 009	-	-	3 987	-	-	-	-	-	37 814
Rental of facilities and equipment		-	-	97	-	-	-	12 038	-	6 494	-	-	-	-	-	18 629
Interest earned - external investments		-	-	-	133 620	-	-	-	-	-	-	-	-	-	-	133 620
Interest earned - outstanding debtors		-	-	-	32 175	-	-	-	-	-	-	-	-	-	-	32 175
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	10 114	179	-	-	-	-	-	10 293
Licences and permits		-	-	-	-	-	-	-	22 329	144	-	-	-	-	-	22 472
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	467 918	1	24 878	43 477	108 675	14 590	-	-	-	-	-	659 539
Transfers recognised - operational		-	37 902	535 109	384 874	11 851	189 989	-	16 310	73 299	-	-	-	-	-	1 249 333
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution		-	37 902	535 206	1 922 818	11 851	2 614 732	55 515	157 427	384 756	-	-	-	-	-	5 719 607
Expenditure By Type																
Employee related costs		49 744	21 747	22 899	189 508	121 189	347 671	95 953	222 155	316 753	-	-	-	-	-	1 387 619
Remuneration of councillors		52 910	-	-	-	-	-	-	-	-	-	-	-	-	-	52 910
Debt impairment		-	-	-	58 623	-	162 376	-	4 211	19 799	-	-	-	-	-	245 009
Depreciation & asset impairment		2 069	1 576	8 349	2 061	18 284	567 383	91 874	6 371	14 247	-	-	-	-	-	712 213
Finance charges		-	-	-	-	-	47 657	2 297	2 260	2 099	-	-	-	-	-	54 313
Bulk purchases		-	-	-	-	-	1 377 012	-	-	-	-	-	-	-	-	1 377 012
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	5 397	-	-	16 225	-	-	-	-	-	21 622
Transfers and grants		17 027	-	-	61 519	-	83 362	6 000	13 963	83 502	-	-	-	-	-	265 673
Other expenditure		42 363	78 801	550 957	155 247	75 060	455 496	78 363	34 827	129 614	1 565	-	-	-	-	1 602 314
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		164 414	102 124	582 205	466 958	214 533	3 046 354	274 509	283 787	582 239	1 565	-	-	-	-	5 718 685
Surplus/(Deficit)		(164 414)	(64 222)	(46 999)	1 455 861	(202 682)	(432 222)	(218 993)	(126 360)	(197 483)	(1 565)	-	-	-	-	922
Transfers recognised - capital		-	21 500	211 274	-	100	494 500	40 000	6 000	76 979	-	-	-	-	-	850 353
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(164 414)	(42 722)	164 275	1 455 861	(202 582)	62 278	(178 993)	(120 360)	(120 504)	(1 565)	-	-	-	-	851 275

BUF Buffalo City - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Call investment deposits											
Call deposits < 90 days		1 464 211	1 698 468	1 966 369	1 233 269	979 567	979 567	979 567	2 303 434	2 341 401	2 453 883
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	**1 464 211**	**1 698 468**	**1 966 369**	**1 233 269**	**979 567**	**979 567**	**979 567**	**2 303 434**	**2 341 401**	**2 453 883**
Consumer debtors											
Consumer debtors		987 684	1 161 336	1 250 330	1 629 586	1 629 586	1 629 586	1 512 900	1 512 900	1 664 189	1 830 608
Less: Provision for debt impairment		(528 896)	(565 116)	(686 126)	(469 135)	(469 135)	(469 135)	(741 174)	(840 954)	(954 387)	(1 084 627)
Total Consumer debtors	2	**458 788**	**596 220**	**564 204**	**1 160 451**	**1 160 451**	**1 160 451**	**771 726**	**671 945**	**709 802**	**745 981**
Debt impairment provision											
Balance at the beginning of the year		531 929	528 896	565 116	530 241	530 241	530 241	686 126	741 174	840 954	954 387
Contributions to the provision		58 231	100 794	241 034	203 074	203 074	203 074	187 074	245 009	273 185	305 968
Bad debts written off		(61 264)	(70 574)	(120 024)	(264 180)	(264 180)	(264 180)	(132 027)	(145 229)	(159 752)	(175 727)
Balance at end of year		**528 896**	**565 116**	**686 126**	**469 135**	**469 135**	**469 135**	**741 174**	**840 954**	**954 387**	**1 084 627**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		21 053 722	21 702 322	22 507 772	21 949 738	21 949 738	21 949 738	23 564 257	24 839 611	26 189 151	27 710 220
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		10 824 160	11 593 838	12 220 106	9 983 481	9 983 481	9 983 481	12 930 106	13 642 319	14 380 634	15 150 725
Total Property, plant and equipment (PPE)	2	**10 229 562**	**10 108 484**	**10 287 666**	**11 966 257**	**11 966 257**	**11 966 257**	**10 634 150**	**11 197 291**	**11 808 516**	**12 559 495**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		41 997	51 657	57 416	54 633	54 633	54 633	54 633	46 097	50 709	47 642
Total Current liabilities - Borrowing		**41 997**	**51 657**	**57 416**	**54 633**	**54 633**	**54 633**	**54 633**	**46 097**	**50 709**	**47 642**
Trade and other payables											
Trade and other creditors		452 302	572 695	628 660	630 000	630 000	630 000	630 000	661 500	695 000	730 000
Unspent conditional transfers		739 538	460 596	216 555	107 100	107 100	107 100	107 100	112 800	78 300	83 000
VAT		–	20	138	–	–	–	–	–	–	–
Total Trade and other payables	2	**1 191 840**	**1 033 311**	**845 353**	**737 100**	**737 100**	**737 100**	**737 100**	**774 300**	**773 300**	**813 000**
Non current liabilities - Borrowing											
Borrowing	4	604 256	597 207	542 574	542 574	542 574	542 574	542 574	496 477	445 768	398 126
Finance leases (including PPP asset element)		990	3 623	3 425	3 941	3 941	3 941	3 941	3 941	3 941	3 425
Total Non current liabilities - Borrowing		**605 246**	**600 830**	**545 999**	**546 515**	**546 515**	**546 515**	**546 515**	**500 418**	**449 709**	**401 551**
Provisions - non-current											
Retirement benefits		341 426	327 634	384 269	453 870	453 870	453 870	453 870	499 260	549 000	603 900
List other major provision items											

BUF Buffalo City - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Refuse landfill site rehabilitation		64 922	49 969	57 756	90 750	90 750	90 750	90 750	99 830	109 800	120 780
Other		102	100	100	–	–	–	–	–	–	–
Total Provisions - non-current		**406 450**	**377 703**	**442 125**	**544 620**	**544 620**	**544 620**	**544 620**	**599 090**	**658 800**	**724 680**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		11 180 335	7 913 290	8 393 972	10 250 382	10 327 810	10 074 108	10 074 108	8 238 798	9 156 402	10 407 481
GRAP adjustments		(3 205 897)	7 308	–	–	–	–	–	–	–	–
Restated balance		7 974 438	7 920 598	8 393 972	10 250 382	10 327 810	10 074 108	10 074 108	8 238 798	9 156 402	10 407 481
Surplus/(Deficit)		(36 320)	456 427	678 572	712 422	702 187	702 187	702 187	851 275	926 800	977 780
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		573	573	–	473 299	473 299	473 299	473 299	–	–	–
Other adjustments		(13 311)	11 047	12 114	(1 108 293)	(1 429 188)	(1 175 486)	(2 896 318)	930 502	520 532	(28 420)
Accumulated Surplus/(Deficit)	1	**7 925 380**	**8 388 645**	**9 084 658**	**10 327 810**	**10 074 108**	**10 074 108**	**8 353 276**	**10 020 574**	**10 603 734**	**11 356 841**
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		2 446 638	2 415 540	2 406 503	2 676 936	2 676 936	2 676 936	2 676 936	2 810 783	2 951 322	3 098 900
Total Reserves	2	**2 446 638**	**2 415 540**	**2 406 503**	**2 676 936**	**2 676 936**	**2 676 936**	**2 676 936**	**2 810 783**	**2 951 322**	**3 098 900**
TOTAL COMMUNITY WEALTH/EQUITY	2	**10 372 018**	**10 804 185**	**11 491 161**	**13 004 746**	**12 751 044**	**12 751 044**	**11 030 212**	**12 831 357**	**13 555 056**	**14 456 741**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services				

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit Improvement Plan towards attainment of an unqualified audit report	A		1 169 402	1 521 892	1 694 658	1 719 752	1 735 875	1 735 875	1 922 818	1 995 512	2 088 184
	Develop a legally compliant and efficient Supply Chain Management System											
	Implement revenue enhancement strategies											
	Valuation of Properties											
	Maintain favourable cash management procedures											
	Maintain long term borrowing below NT Threshold											
	Accelerate implementation of grant/capital projects											
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	B		3 954	4 400	21 387	35 811	36 669	36 669	37 902	31 148	31 148
	Optimise participation of communities in municipal decision making processes											

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Improve communication with BCMM communities and beyond											
	Enhance integrated planning through intergovernmental relations											
BCMM 3:To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	Implement skills development and capacity building programmes to grow and support BCMM economy	C		6 882	5 206	5 288	3 439	3 439	3 439	–	–	–
	Develop and implement economic development pocies/initiative/programmes to promote and support growth both the 1st and 2nd economies											
	Implement the economic infrastructure and capacitation programme											
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	D		1 977 295	2 481 429	2 925 776	3 197 800	3 297 743	3 297 743	4 055 206	4 543 825	4 828 064

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Implement an electrification programme to informal dwellings											
	Improve the condition of roads, stormwater system & associated structures to acceptable standards											
	Compliance of Water Treatment Works with SANS 241 requirements											
	Provide households with access to potable water											
	To provide integrated waste management services											
	Implement DVRI Business Plan											
	Rollout of electrification programme											
	To provide integrated waste management services											
	Provision of formal houses as part of Integrated Sustainable Human Settlements.											

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Implement the Disaster Management Policy Framework											
	Implement BCMM Crime prevention strategy and Traffic Safety Plan											
	Generate Local Spatial Development Frameworks											
	Implement land acquisition & transfer											
	Implement land release programme											
	Provide integrated and sustainable transport systems by implementing programmes and projects											
	Provision of basic level of sanitation to households											
	Deliver sustainable infrastructure that support social and economic development											
	Provision of adequate Fire & Rescue facilities in BCMM											

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 5 : To be a well structured and capaciatated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	E		3 250	5 155	7 270	8 309	8 309	8 309	11 851	13 144	14 846
	Reduce time taken to conclude disciplinary cases											
	Improve health and safety of BCMM employees and Councillors											
	Provision of ICT systems and infrastrucutre											
	Development and implementation of employee performance management system											
	Improve time and attendance processes											
	Target recruitment and selection processes in terms of BCMM's employment equity plan											
	Train municipal employees											

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	F		455 508	423 594	522 023	497 011	510 582	510 582	542 183	592 124	645 552
	Implementation of integrated c environmental and coastal zone management plans											
	Implement Climate Change Strategy											
	To apply waste management hierarchy which favours waste minimisation.											
	Construct new cells and rehabilitate existing cells											
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	3 616 291	4 441 676	5 176 402	5 462 122	5 592 616	5 592 616	6 569 960	7 175 752	7 607 793

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit Improvement Plan towards attainment of an unqualified audit report	A		308 794	304 717	465 667	381 616	388 248	388 248	466 958	482 530	490 889
	Develop a legally compliant and efficient Supply Chain Management System											
	Implement revenue enhancement strategies											
	Valuation of Properties											
	Maintain favourable cash management procedures											
	Maintain long term borrowing below NT Threshold											
	Accelerate implementation of grant/capital projects											
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	B		141 983	186 449	227 668	245 567	260 941	260 941	266 537	275 284	285 502

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Optimise participation of communities in municipal decision making processes											
	Improve communication with BCMM communities and beyond											
	Enhance integrated planning through intergovernmental relations											
BCMM 3:To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	Implement skills development and capacity building programmes to grow and support BCMM economy	C		25 791	22 977	34 915	24 278	49 520	49 520	27 652	27 093	124 165
	Develop and implement economic development pocies/initiative/programmes to promote and support growth both the 1st and 2nd economies											
	Implement the economic infrastructure and capacitation programme											
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	D		2 422 039	2 687 205	2 853 372	3 112 518	3 207 419	3 207 419	3 876 980	4 293 572	4 504 748

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Implement an electrification programme to informal dwellings											
	Improve the condition of roads, stormwater system & associated structures to acceptable standards											
	Compliance of Water Treatment Works with SANS 241 requirements											
	Provide households with access to potable water											
	To provide integrated waste management services											
	Implement DVRI Business Plan											
	Rollout of electrification programme											
	To provide integrated waste management services											

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Provision of formal houses as part of Integrated Sustainable Human Settlements.											
	Implement the Disaster Management Policy Framework											
	Implement BCMM Crime prevention strategy and Traffic Safety Plan											
	Generate Local Spatial Development Frameworks											
	Implement land acquisition & transfer											
	Implement land release programme											
	Provide integrated and sustainable transport systems by implementing programmes and projects											
	Provision of basic level of sanitation to households											

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Deliver sustainable infrastructure that support social and economic development											
	Provision of adequate Fire & Rescue facilities in BCMM											
BCMM 5 : To be a well structured and capaciatated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	E		88 825	98 171	106 354	161 132	164 015	164 015	214 533	218 319	224 865
	Reduce time taken to conclude disciplinary cases											
	Improve health and safety of BCMM employees and Councillors											
	Provision of ICT systems and infrastrucutre											
	Development and implementation of employee performance management system											
	Improve time and attendance processes											

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Target recruitment and selection processes in terms of BCMM's employment equity plan											
	Train municipal employees											
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	F		665 179	685 731	809 855	824 589	820 285	820 285	866 026	952 154	999 844
	Implementation of integrated c environmental and coastal zone management plans											
	Implement Climate Change Strategy											
	To apply waste management hierarchy which favours waste minimisation.											
	Construct new cells and rehabilitate existing cells											
Allocations to other priorities												
Total Expenditure			1	3 652 611	3 985 249	4 497 830	4 749 700	4 890 429	4 890 429	5 718 685	6 248 952	6 630 014

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Implementation of the Audit improvement Plan towards attainment of an unqualified audit report	A		30 533	25 488	10 982	12 350	11 282	11 282	13 050	13 840	14 755
	Develop a legally compliant and efficient Supply Chain Management System											
	Implement revenue enhancement strategies											
	Valuation of Properties											
	Maintain favourable cash management procedures											
	Maintain long term borrowing below NT Threshold											
	Accelerate implementation of grant/capital projects											
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Promote vulnerable groups' rights within the Metro	B		2 416	622	3 553	1 000	7 229	7 229	6 200	1 000	1 000

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Optimise participation of communities in municipal decision making processes											
	Improve communication with BCMM communities and beyond											
	Enhance integrated planning through intergovernmental relations											
BCMM 3:To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	Implement skills development and capacity building programmes to grow and support BCMM economy	C		–	–	16 035	10 000	10 000	10 000	20 000	10 000	30 000
	Develop and implement economic development pocies/initiative/programmes to promote and support growth both the 1st and 2nd economies											
	Implement the economic infrastructure and capacitation programme											
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	Implement lighting programmes to ensure adequate lighting coverage	D		184 514	567 375	779 953	903 557	1 117 148	1 117 148	1 214 504	1 304 500	1 474 814

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Implement an electrification programme to informal dwellings											
	Improve the condition of roads, stormwater system & associated structures to acceptable standards											
	Compliance of Water Treatment Works with SANS 241 requirements											
	Provide households with access to potable water											
	To provide integrated waste management services											
	Implement DVRI Business Plan											
	Rollout of electrification programme											
	To provide integrated waste management services											

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Provision of formal houses as part of Integrated Sustainable Human Settlements.											
	Implement the Disaster Management Policy Framework											
	Implement BCMM Crime prevention strategy and Traffic Safety Plan											
	Generate Local Spatial Development Frameworks											
	Implement land acquisition & transfer											
	Implement land release programme											
	Provide integrated and sustainable transport systems by implementing programmes and projects											
	Provision of basic level of sanitation to households											

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Deliver sustainable infrastructure that support social and economic development											
	Provision of adequate Fire & Rescue facilities in BCMM											
BCMM 5 : To be a well structured and capacialated institution that renders effective and efficient services to all by 2016	Creation of a functional organisational structure	E		-	-	33 670	15 100	23 086	23 086	21 600	20 200	500
	Reduce time taken to conclude disciplinary cases											
	Improve health and safety of BCMM employees and Councillors											
	Provision of ICT systems and infrastrucutre											
	Development and implementation of employee performance management system											
	Improve time and attendance processes											

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Target recruitment and selection processes in terms of BCMM's employment equity plan											
	Train municipal employees											
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	Implement Municipal Health Services Delivery Plan	F		–	–	–	–	–	–	–	–	–
	Implementation of integrated c environmental and coastal zone management plans											
	Implement Climate Change Strategy											
	To apply waste management hierarchy which favours waste minimisation.											
	Construct new cells and rehabilitate existing cells											
Allocations to other priorities			3									
Total Capital Expenditure			1	217 464	593 485	844 194	942 007	1 168 745	1 168 745	1 275 354	1 349 540	1 821 069

BUF Buffalo City - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - Infrastructure Services										
Function 1 - Water and Sanitation										
Sub-function 1 - Water Services										
To ensure universal access to potable water within BCMM	Number of households with access to basic level of water supply	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - Sanitation Services										
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning by 2014	Reduction in the sanitation backlog in the number of consumer units with access to at least a basic level of sanitation	139 324	143 213	0	146 519	148 519	1 505 519	203 598	205 598	0
Sub-function 3 - Roads and Stormwater										
To provide an accessible all weather BCMM road network	Kilometers of existing roads maintained	57km	20km	0.0%	83km (Gravel) 26km (surface)	83km (Gravel) 30km (surface)	100km (Gravel) 30km (surface)	150km	200km	0.0%
Function 2 - Energy and Electricity										
Sub-function 1 - Electricity										
Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained	Number of new households (RDP) provided with electricity connections	1000	1200	0	350	1500	1500	1499	1501	0
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										

BUF Buffalo City - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

BUF Buffalo City - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.2%	1.6%	2.6%	2.4%	2.3%	2.3%	2.3%	1.8%	1.6%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.3%	1.9%	3.2%	2.9%	2.9%	2.9%	2.9%	2.2%	2.0%	1.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	671.7%	-358.0%	-222.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	24.7%	24.9%	22.7%	20.4%	20.4%	20.4%	20.4%	17.8%	15.2%	13.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.5	2.0	2.6	2.7	2.4	2.4	2.0	3.2	3.2	3.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	2.0	2.6	2.7	2.4	2.4	2.0	3.2	3.2	3.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.5	2.0	1.3	1.1	1.1	1.1	2.3	2.3	2.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts Last 12 Mths Billing		100.0%	100.0%	100.0%	94.0%	93.5%	93.5%	93.5%	92.0%	92.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	94.0%	93.5%	93.5%	93.5%	92.0%	92.0%	92.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.4%	16.9%	14.2%	26.3%	25.7%	25.7%	17.7%	13.5%	13.1%	13.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	12.2%	19.0%	4.7%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		29.7%	31.1%	29.0%	48.0%	59.5%	26.8%	26.8%	27.8%	28.7%	28.8%

BUF Buffalo City - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	184 089 641	186 726 282	232 150 005	159 443 792	159 443 792	159 443 792	159 443 792	244 198 296	250 222 442	256 246 587
	Total Cost of Losses (Rand '000)	97 545	113 420	118 389	119 263	119 263	119 263	119 263	188 033	207 685	228 059
	% Volume (units purchased and generated less units sold)/units purchased and generated	13.0%	12.0%	16.0%	10.0%	10.0%	10.0%	10.0%	16.6%	17.0%	17.4%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	30 873 948	29 289 197	25 887 180	26 624 737	26 624 737	26 624 737	26 624 737	25 424 737	24 224 737	24 224 737
	Total Cost of Losses (Rand '000)	105 000	102 924	99 400	98 245	98 245	98 245	98 245	93 817	89 389	89 389
	% Volume (units purchased and generated less units sold)/units purchased and generated	47.0%	46.0%	40.0%	35.0%	35.0%	35.0%	35.0%	30.0%	25.0%	25.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.9%	25.0%	25.4%	26.0%	25.5%	25.5%	25.5%	24.3%	23.4%	23.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.1%	26.1%	26.4%	27.1%	26.5%	26.5%		25.2%	24.4%	24.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.4%	6.7%	6.4%	7.0%	6.7%	6.7%		6.5%	6.7%	6.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	21.8%	19.6%	16.0%	16.2%	15.8%	15.8%	15.8%	13.4%	12.6%	12.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.8	18.6	22.5	24.4	24.4	24.4	19.8	21.3	23.0	25.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.6%	25.9%	21.9%	38.7%	38.6%	38.6%	26.6%	21.3%	20.4%	19.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.8	8.4	8.6	5.0	3.9	6.8	6.8	7.6	7.0	6.8

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	2015/16 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
Demographics												
Population		0	660	702	724	-	755	-	755	-	-	-
Females aged 5 - 14		Statistic SA 2011 Census	69	69	65	-	60	-	60	-	-	-
Males aged 5 - 14		(Figures to be mantained till there is another official	68	69	66	-	62	-	62	-	-	-
Females aged 15 - 34		count in the form of Community Survey or another	117	141	136	-	140	-	140	-	-	-
Males aged 15 - 34		Census)	130	128	146	-	134	-	134	-	-	-
Unemployment		0	98	158	112	-	188	-	188	-	-	-
Monthly household income (no. of households)	1, 12											
No income		0	-	-	-	-	38 023	38 023	38 023	-	-	-
R1 - R1 600		0	-	-	-	-	11 650	11 650	11 650	-	-	-
R1 601 - R3 200		0	-	-	-	-	15 660	15 660	15 660	-	-	-
R3 201 - R6 400		Statistic SA 2011 Census	-	-	-	-	41 421	41 421	41 421	-	-	-
R6 401 - R12 800		0	-	-	-	-	38 047	38 047	38 047	-	-	-
R12 801 - R25 600		(Figures to be mantained till there is another official	-	-	-	-	24 916	24 916	24 916	-	-	-
R25 601 - R51 200		count in the form of Community Survey or another	-	-	-	-	19 986	19 986	19 986	-	-	-
R52 201 - R102 400		Census)	-	-	-	-	17 765	17 765	17 765	-	-	-
R102 401 - R204 800		0	-	-	-	-	11 058	11 058	11 058	-	-	-
R204 801 - R409 600		0	-	-	-	-	3 448	3 448	3 448	-	-	-
R409 601 - R819 200		0	-	-	-	-	918	918	918	-	-	-
> R819 200		0	-	-	-	-	668	668	668	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13	0	-	-	-	0.00	0.00	54240.00	54240.00	0.00	0.00	0.00
Insert description	2	0	-	-	-	0.00	0.00	<R2 400	<R2 400	0.00	0.00	0.00
Household/demographics (000)												
Number of people in municipal area		0	659 531	701 889	724 309	-	755	755	755	-	-	-
Number of poor people in municipal area		Statistic SA 2011 Census	174 611	166 874	136 833	-	189	189	189	-	-	-
Number of households in municipal area		0	155 726	194 065	208 389	-	224	224	224	-	-	-
Number of poor households in municipal area		0	N/A	N/A	N/A	62	54	54	54	-	-	-
Definition of poor household (R per month)		0	N/A	N/A	N/A	<R2 020	<R2 400	<R2 400	<R2 400	-	-	-
Housing statistics	3											
Formal		Statistic SA 2011 Census	112 294	120 566	156 679	-	162 310	162 310	162 310	-	-	-
Informal		0	43 022	58 090	45 601	-	49 856	49 856	49 856	-	-	-
Total number of households			155 316	178 656	202 280	-	212 166	212 166	212 166	-	-	-
Dwellings provided by municipality	4	0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s		0	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5	0	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						11.7%	11.5%	10.5%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2894

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	2015/16 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
Remuneration increases						6.4%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges						0.0%	93.0%	93.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment						0.0%	101.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments						0.0%	134.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors						0.0%	99.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	Adjusted Budget	Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	103 000	103 000	103 000	104 000	105 000	106 000	105 000	106 000	107 000
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
	8	Using public tap (at least min.service level)	115 000	119 000	120 000	120 000	121 000	122 000	121 000	122 000	123 000
	10	Other water supply (at least min.service level)	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093
		Minimum Service Level and Above sub-total	223 093	227 093	228 093	229 093	231 093	233 093	231 093	233 093	235 093
	9	Using public tap (< min.service level)	1 400	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	6 000	5 000	3 000	3 000	2 000	1 000	2 000	1 000	–
		Below Minimum Service Level sub-total	7 400	6 000	4 000	4 000	3 000	2 000	3 000	2 000	1 000
		Total number of households	**230 493**	**233 093**	**232 093**	**233 093**	**234 093**	**235 093**	**234 093**	**235 093**	**236 093**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	120 300	120 355	120 155	120 205	120 255	120 305	154 617	154 617	154 617
		Flush toilet (with septic tank)	1 329	1 329	1 329	1 329	1 329	1 329	5 428	5 428	5 428
		Chemical toilet	–	–	–	–	–	–	3 544	3 544	3 544
		Pit toilet (ventilated)	17 695	21 529	21 930	24 230	26 230	28 885	41 009	41 009	41 009
		Other toilet provisions (> min.service level)	–	–	405	565	705	–	–	–	–
		Minimum Service Level and Above sub-total	139 324	143 213	143 819	146 319	148 519	150 519	204 598	204 598	204 598
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	835	835	835
		No toilet provisions	48 118	4 229	43 623	41 123	38 923	36 923	18 135	18 135	18 135
		Below Minimum Service Level sub-total	48 118	4 229	43 623	41 123	38 923	36 923	18 970	18 970	18 970
		Total number of households	**187 442**	**147 442**	**187 442**	**187 442**	**187 442**	**187 442**	**223 568**	**223 568**	**223 568**
		Energy:									
		Electricity (at least min.service level)	10 000	10 000	9 000	8 000	8 000	8 000	8 846	8 846	8 846
		Electricity - prepaid (min.service level)	107 000	105 000	106 000	107 000	107 000	107 000	113 245	113 245	113 245
		Minimum Service Level and Above sub-total	117 000	115 000	115 000	115 000	115 000	115 000	122 091	122 091	122 091
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	2015/16 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
		Other energy sources		–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
		Total number of households		117 000	115 000	115 000	115 000	115 000	115 000	122 091	122 091	122 091
		Refuse:										
		Removed at least once a week		118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
		Minimum Service Level and Above sub-total		118 000	119 000	119 000	119 000	119 000	119 000	130 000	130 000	130 000
		Removed less frequently than once a week		1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980
		Using communal refuse dump		2	2	2	2	2	2	2	2	2
		Using own refuse dump		1	1	1	1	1	1	1	1	1
		Other rubbish disposal		4	3	3	3	3	3	3	3	3
		No rubbish disposal		–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total		1 987	1 986	1 986	1 986	1 986	1 986	1 986	1 986	1 986
		Total number of households		119 967	120 986	120 986	120 986	120 986	120 986	131 986	131 986	131 986

Municipal in-house services	Ref.		2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	Adjusted Budget	Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		Household service targets (000)									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		Energy:									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		Electricity - prepaid (< min. service level)										
		Other energy sources										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
		Refuse:										
		Removed at least once a week										
		Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week										
		Using communal refuse dump										
		Using own refuse dump										
		Other rubbish disposal										
		No rubbish disposal										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-

Municipal entity services	Ref.		2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Name of municipal entity		**Household service targets (000)**									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Name of municipal entity		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	2015/16 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
		Electricity (< min.service level)										
		Electricity - prepaid (< min. service level)										
		Other energy sources										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
Name of municipal entity		***Refuse:***										
		Removed at least once a week										
		Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week										
		Using communal refuse dump										
		Using own refuse dump										
		Other rubbish disposal										
		No rubbish disposal										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-

Services provided by 'external mechanisms'	Ref		2011/12 Outcome	2012/13 Outcome	2013/14 Outcome	Current Year 2014/15 Original Budget	Adjusted Budget	Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Names of service providers		**Household service targets (000)**									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									

BUF Buffalo City - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)										
		Electricity - prepaid (< min service level										
		Other energy sources										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
Names of service providers		***Refuse:***										
		Removed at least once a week										
		Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week										
		Using communal refuse dump										
		Using own refuse dump										
		Other rubbish disposal										
		No rubbish disposal										
		Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-

BUF Buffalo City Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 521 969	1 843 315	2 164 433	1 313 269	1 059 567	2 353 956	2 353 956	2 383 434	2 421 401	2 533 883
Cash + investments at the yr end less applications - R'000	18(1)b	2	781 777	1 412 881	1 912 487	1 736 674	1 482 994	1 482 994	1 122 299	2 312 455	2 394 978	2 510 694
Cash year end/monthly employee/supplier payments	18(1)b	3	7.8	8 4	8 6	5.0	3.9	8.8	8.8	7.6	7.0	6.8
Surplus (Deficit) excluding depreciation offsets: R'000	18(1)	4	(35 747)	457 000	678 572	1 185 721	1 175 486	1 175 486	1 175 486	851 275	926 800	977 760
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N A	5.8%	6.8%	6.0%	(5 7%)	(6 0%)	(6 0%)	5.3%	4.9%	4.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.0%	90 7%	93.9%	92.8%	92.8%	92.8%	92.8%	91.3%	91.3%	91.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2 6%	4.2%	8 4%	6.3%	5.8%	5.8%	5.8%	6.8%	6.9%	6.9%
Capital payments % of capital expenditure	18(1)c;19	8	100 2%	102.5%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	664 3%	(358 0%	(222 5%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.2%	100.1%	100.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A	34.0%	(4 8%)	97.9%	0.0%	0 0%	(31 1%)	(38 4%)	6.2%	5.7%
Long term receivables % change - incr(decr)	18(1)a	12	N.A	(24.6%)	(37.2%)	122.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2 1%	2.6%	2.8%	2.8%	2.7%	2.7%	3.5%	3.3%	3.5%	3.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	57.3%	53.2%	53.2%	0.0%	58.4%	46.1%	48.0%

BUF Buffalo City - Supporting Table SA11 Property rates summary

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:	1									
Date of valuation:		2008/07/01	2008/07/01	2008/07/01	2013/07/01					
Financial year valuation used		39995	39995	39995	41821			Yes		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No	0	0	No	0	0
No. of assistant valuers (FTE)	3	5	5	5	4	4	4	4	4	4
No. of data collectors (FTE)	3	3	3	3	3	3	3	-	-	-
No. of internal valuers (FTE)	3	2	2	2	1	1	1	3	3	3
No. of external valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of additional valuers (FTE)	4	8	8	8	Nil	Nil	Nil	Nil	Nil	Nil
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		27	24	12	Implemented			36		
No. of properties	5	152 426	151 910	153 000	154 611	154 611	154 611	157 111	157 600	158 100
No. of sectional title values	5	6 711	6 711	6 711	7 309	7 309	7 309	7 339	7 339	7 339
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		2	2	2	2	2	2	2	2	2
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-
No. of objections by rate payers		178	403	570	1 261	1 261	1 261	-	-	-
No. of appeals by rate payers		30	5	20	52	52	52	-	-	-
No. of successful objections	8	128	262	370	977	977	977	-	-	-
No. of successful objections > 10%	8	51	243	180	769	769	769	-	-	-
Supplementary valuation		-	-	-	-	-	-	-	-	-
Public service infrastructure value (Rm)	5	-	-	-	-	-	-	-	-	-
Municipality owned property value (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		-	-	-	268	268	268	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	1 657	1 657	1 657	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-
Total valuation reductions:		-	-	-	1 925	1 925	1 925	-	-	-
Total value used for rating (Rm)	5	-	-	-	-	-	-	-	-	-
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	-	-	-	77 919	77 919	77 919	-	-	-

BUF Buffalo City - Supporting Table SA11 Property rates summary

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No		
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		Yes	Yes	No	No			No		
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		–	–	–	–			–		
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%			0.0%		
Rate revenue:										
Rate revenue budget (R '000)	6	544 082	602 194	698 275	826 221	2 300	828 521	919 584	1 023 497	1 136 082
Rate revenue expected to collect (R'000)	6	508 717	563 051	652 887	751 861	2 093	753 954	836 821	931 382	1 033 834
Expected cash collection rate (%)		93.5%	93.5%	93.5%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%
Special rating areas (R'000)	7	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		10 097	9 700	11 405	12 694	–	12 940	14 154	15 782	17 518
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	3 679	–	3 679	4 102	4 574	5 077
Rebates, exemptions - other (R'000)		12 055	13 066	16 235	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		10 437	11 617	12 929	14 390	–	14 390	16 045	17 891	19 859
Total rebates,exemptns,reductns,discs (R'000)		**32 589**	**34 383**	**40 570**	**30 764**	**–**	**31 010**	**34 301**	**38 246**	**42 453**

BUF Buffalo City - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2014/15																	
Valuation:																	
No. of properties		104 228	–	4 827	2 702	387	10 422	1 066	–	–	9 733	–	–	–	–	495	–
No. of sectional title property values		5 921	–	918	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	9 733	–	–	–	–	–	–
No. of supplementary valuations		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Supplementary valuation (Rm)		660	–	2 682	8	102	136	127	–	–	–	–	–	–	–	12	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		25	–	6	2	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	15	–	3	2	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation (select)		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	0
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	0
Base of valuation (select)		Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	0
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	0
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	0
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	13	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	41 233	–	15 865	1 625	1 315	358	277	–	–	–	–	–	–	–	28	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	41 735	–	15 887	1 627	1 587	1 275	365	–	–	744	–	–	–	–	720	–
Rating:																	
Average rate	3	0.008225	0.020562	0.020562	0.002056	0.005757	–	0.002056	–	–	0.024674	–	–	–	–	0.002056	–
Rate revenue budget (R '000)		289 105	14 247	304 356	4 625	8 522	–	1 171	–	–	79 072	–	–	–	–	17	–
Rate revenue expected to collect (R'000)		270 313	13 321	284 573	4 325	7 968	–	1 094	–	–	73 932	–	–	–	–	16	–
Expected cash collection rate (%)	4	93.5%	0.0%	93.5%	93.5%	93.5%	0.0%	93.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	93.5%	93.5%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		11 405	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		3 306	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		12 929	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

BUF Buffalo City - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																	
Valuation:																	
No. of properties		110 480	–	4 847	2 910	414	8 941	2 107	–	–	9 733	–	–	–	–	495	–
No. of sectional title property values		6 371	–	938	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	9 733	–	–	–	–	–	–
No. of supplementary valuations		2	–	2	2	2	2	2	–	–	2	–	–	–	–	2	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		5 524	–	242	146	21	–	105	–	–	–	–	–	–	–	1	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	0
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	0
Base of valuation (select)		Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	0
Phasing-in properties s21 (number)		None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	0
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	0
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	0
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	0
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	268	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15 000 threshold (Rm)		1 657	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	46 231	–	18 644	3 258	1 727	–	892	–	–	–	–	–	–	–	28	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	46 231	–	18 644	3 258	1 727	1 389	892	–	–	1 097	–	–	–	–	767	–
Rating:																	
Average rate	3	0.008225	0.020562	0.020562	0.002056	0.005757	–	0.002056	–	–	0.024674	–	–	–	–	0.002056	–
Rate revenue budget (R 000)		340 703	16 789	358 657	5 450	10 042	–	1 379	–	–	93 179	–	–	–	–	20	–
Rate revenue expected to collect (R 000)		318 558	15 698	335 344	5 096	9 390	–	1 290	–	–	87 123	–	–	–	–	19	–
Expected cash collection rate (%)	4	93.5%	0.0%	93.5%	93.5%	93.5%	0.0%	93.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	93.5%	93.5%
Special rating areas (R 000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		12 694	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		3 579	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		14 390	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R 000)																	

BUF Buffalo City - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates *(rate in the Rand)*	1								
Residential properties		Market Value	0.0065	0.0074	0.0082	0.0082	0.0090	0.0099	0.0108
Residential properties - vacant land		Vacant Land	0.0196	0.0221	0.0247	0.0247	0.0271	0.0297	0.0325
Formal/informal settlements		N/A	-	-	-	-	-	-	-
Small holdings		N/A	-	-	-	-	-	-	-
Farm properties - used		Market Value	0.0016	0.0018	0.0021	0.0021	0.0023	0.0025	0.0027
Farm properties - not used		Market Value	0.0016	0.0018	0.0021	0.0021	0.0023	0.0025	0.0027
Industrial properties		Market Value	0.0164	0.0184	0.0206	0.0206	0.0226	0.0248	0.0271
Business and commercial properties		Market Value	0.0164	0.0184	0.0206	0.0206	0.0226	0.0248	0.0271
Communal land - residential		N/A	-	-	-	-	-	-	-
Communal land - small holdings		N/A	-	-	-	-	-	-	-
Communal land - farm property		N/A	-	-	-	-	-	-	-
Communal land - business and commercial		N/A	-	-	-	-	-	-	-
Communal land - other		N/A	-	-	-	-	-	-	-
State-owned properties		Various depending on prop	-	-	-	-	0.0064	-	-
Municipal properties		N/A	-	-	-	-	-	-	-
Public service infrastructure		Land	0.0016	0.0018	0.0021	0.0021	0.0023	0.0025	0.0027
Privately owned towns serviced by the owner		N/A	-	-	-	-	-	-	-
State trust land		Land	0.0196	0.0221	0.0247	0.0247	0.0271	0.0297	0.0325
Restitution and redistribution properties		N/A	-	-	-	-	-	-	-
Protected areas		N/A	-	-	-	-	-	-	-
National monuments properties		N/A	-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		-	-	-	-	-	-	-	-
Indigent rebate or exemption		-	-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption		-	10 096 775	9 700 438	11 405 238	12 694 030	13 950 739	15 290 010	16 727 271
Temporary relief rebate or exemption		-	-	-	-	-	-	-	-
Bona fide farmers rebate or exemption		-	2 668 493	2 970 032	3 305 646	3 679 184	4 043 423	4 431 592	4 848 161
Other rebates or exemptions	2	Differential rebate - non	-	-	-	-	-	-	-
Water tariffs									

BUF Buffalo City - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Domestic									
Basic charge/fixed fee *(Rands/month)*		N/A	-	-	-	-	-	-	-
Service point - vacant land *(Rands/month)*		N/A	-	-	-	-	-	-	-
Water usage - flat rate tariff *(c/kl)*		N/A	-	-	-	-	-	-	-
Water usage - life line tariff		0 - 6 kl	6.51103	7.49745	8.64831	9.94123	11.03477	12.21549	13.49811
Water usage - Block 1 (c/kl)		0 - 6 kl	6.51103	7.49745	8.64831	9.94123	11.03477	12.21549	13.49811
Water usage - Block 2 (c/kl)		7 - 10 kl	6.63871	7.64447	8.81790	10.13618	11.25116	12.45503	13.76281
Water usage - Block 3 (c/kl)		11 - 20 kl	9.22030	10.61718	12.24692	14.07783	15.62640	17.29842	19.11475
Water usage - Block 4 (c/kl)		21 - 30 kl	11.95225	13.76302	15.87564	18.24905	20.25644	22.42388	24.77839
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		N/A	-	-	-	-	-	-	-
Service point - vacant land *(Rands/month)*		N/A	-	-	-	-	-	-	-
Waste water - flat rate tariff *(c/kl)*		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/kl)		N/A	-	-	-	-	-	-	-
Other	2	See SA34b for Details	-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		N/A	-	-	-	-	-	-	-
Service point - vacant land *(Rands/month)*		N/A	-	-	-	-	-	-	-
FBE		Consumers are eligable to	-	-	-	-	-	-	-
Life-line tariff - meter		0 - 50kwh - Free	-	-	-	-	-	-	-
Life-line tariff - prepaid		0 - 50 kwh - Free	-	-	-	-	-	-	-
Flat rate tariff - meter *(c/kwh)*		N/A	-	-	-	-	-	-	-
Flat rate tariff - prepaid *(c/kwh)*		N/A	-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		0 - 50kwh - Indigent Consumers	0.75348	0.85520	0.94072	0.99240	1.11347	1.24932	1.40173
Meter - IBT Block 2 (c/kwh)		0 - 50kwh - Non Indigent	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Meter - IBT Block 3 (c/kwh)		51 - 350kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686

BUF Buffalo City - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Meter - IBT Block 4 (c/kwh)		351 - 600kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Meter - IBT Block 5 (c/kwh)		601 - >kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Prepaid - IBT Block 1 (c/kwh)		0 - 50kwh - Indigent Consumers	0.75348	0.85520	0.94072	0.99240	1.11347	1.24932	1.40173
Prepaid - IBT Block 2 (c/kwh)		0 - 50kwh - Non Indigent	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Prepaid - IBT Block 3 (c/kwh)		51 - 350kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Prepaid - IBT Block 4 (c/kwh)		351 - 600kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Prepaid - IBT Block 5 (c/kwh)		601 - >kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Other	2	-	-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge		N/A	-	-	-	-	-	-	-
Basic charge/fixed fee		N/A	-	-	-	-	-	-	-
80l bin - once a week		N/A	-	-	-	-	-	-	-
250l bin - once a week		N/A	-	-	-	-	-	-	-

BUF Buffalo City - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Exemptions, reductions and rebates *(Rands)*									
Rebates, exemptions - pensioners (R'000)		-	10 096 775	9 700 438	11 405 238	12 940 030	14 221 093	15 586 318	17 051 432
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	3 679 184	4 043 423	4 431 592	4 848 161
Rebates, exemptions - other (R'000)		Differential rebate - non	12 054 758	13 066 158	16 235 077	-	-	-	-
Phase-in reductions/discounts (R'000)		-	10 437 321	11 616 739	12 929 431	14 390 457	15 815 112	17 333 363	18 962 699
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		N/A	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		N/A	-	-	-	-	-	-	-
Water usage - flat rate tariff (c/kl)		-	-	-	-	-	-	-	-
Water usage - life line tariff		0 - 6 kl	6.51103	7.49745	8.64831	9.94123	11.03477	12.21549	13.49811
Water usage - Block 1 (c/kl)		0 - 6 kl	6.51103	7.49745	8.64831	9.94123	11.03477	12.21549	13.49811
Water usage - Block 2 (c/kl)		7 - 10 kl	6.63871	7.64447	8.81790	10.13618	11.25116	12.45503	13.76281
Water usage - Block 3 (c/kl)		11 - 20 kl	9.22030	10.61718	12.24692	14.07783	15.62640	17.29842	19.11475
Water usage - Block 4 (c/kl)		21 - 30 kl	11.95225	13.76302	15.87564	18.24905	20.25644	22.42388	24.77839
Water usage - Block 5 (c/kl)		31 > kl	14.99941	17.27182	19.92304	22.90153	25.42070	28.14072	31.09549
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		N/A	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		N/A	-	-	-	-	-	-	-
Waste water - flat rate tariff (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/kl)		N/A	-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/kl)		N/A	-	-	-	-	-	-	-
Electricity tariffs									
Erf 301 - 400 m2		0 - 50kwh - Indigent	0.75348	0.85520	0.94072	0.99240	1.11347	1.24932	1.40173
Medium		0 - 50kwh - Non Indigent	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Flats:		51 - 350kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Ordinary		351 - 600kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Complex		601 - >kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Semi's		0 - 50kwh - Indigent	0.75348	0.85520	0.94072	0.99240	1.11347	1.24932	1.40173
Cluster Houses/Townhouses		0 - 50kwh - Non Indigent	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Erf 401 - 800 m2		51 - 350kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Large		351 - 600kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686
Erf 801 - 1200 m2		601 - >kwh - All Consumers	1.03893	1.17919	1.29711	1.39250	1.56239	1.75300	1.96686

BUF Buffalo City - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		468.10	525.67	588.25	1 028.13	1 028.13	1 028.13	9.9%	1 129.91	1 238.38	1 354.79
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		1 038.93	1 179.19	1 297.11	1 407.36	1 407.36	1 407.36	12.2%	1 579.06	1 771.70	1 987.85
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		277.35	319.36	368.39	423.46	423.46	423.46	11.0%	470.04	520.34	574.97
Sanitation		182.82	203.51	225.66	249.35	249.35	249.35	9.5%	273.04	298.16	324.99
Refuse removal		108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other		25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total		2 101.41	2 378.61	2 848.70	3 297.84	3 297.84	3 297.84	11.0%	3 659.73	4 055.52	4 490.13
VAT on Services		228.66	259.41	288.46	317.76	317.76	317.76	–	354.18	394.40	438.95
Total large household bill:		2 330.07	2 638.02	2 937.16	3 615.60	3 615.60	3 615.60	11.0%	4 013.91	4 449.92	4 929.08
% increase/-decrease			13.2%	11.3%	23.1%	–	–		11.0%	10.9%	10.8%
	2										
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		73.98	83.08	92.97	274.17	274.17	274.17	9.9%	301.31	330.23	361.28
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		517.39	587.24	645.96	700.87	700.87	700.87	12.2%	786.37	882.31	989.95
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		217.59	250.55	289.01	332.22	332.22	332.22	11.0%	368.76	408.22	451.08
Sanitation		65.06	72.44	80.34	88.77	88.77	88.77	9.5%	97.21	106.15	115.70
Refuse removal		108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other		25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total		1 008.22	1 144.19	1 277.58	1 585.56	1 585.56	1 585.56	11.1%	1 761.33	1 953.84	2 165.53
VAT on Services		130.79	148.56	165.84	183.60	183.60	183.60	–	204.40	227.31	252.60
Total small household bill:		1 139.01	1 292.74	1 443.42	1 769.16	1 769.16	1 769.16	11.1%	1 965.73	2 181.15	2 418.13
% increase/-decrease			13.5%	11.7%	22.6%	–	–		11.1%	11.0%	10.9%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		73.98	83.08	92.97	103.66	103.66	103.66	9.9%	113.92	124.86	136.60
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		37.67	42.76	47.04	51.03	51.03	51.03	12.2%	57.26	64.25	72.08
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		39.07	44.98	51.69	59.65	59.65	59.65	11.0%	66.21	73.29	80.99
Sanitation		65.06	72.44	80.34	88.77	88.77	88.77	9.5%	97.21	106.15	115.70
Refuse removal		108.77	122.81	138.60	155.93	155.93	155.93	9.5%	170.74	186.45	203.23
Other		25.44	28.07	30.70	33.62	33.62	33.62	9.9%	36.94	40.49	44.30
sub-total		349.99	394.15	441.53	492.66	492.66	492.66	10.1%	542.28	595.46	652.90
VAT on Services		38.64	43.55	48.80	54.46	54.46	54.46	–	59.97	65.89	72.28
Total small household bill		388.63	437.70	490.33	547.12	547.12	547.12	10.1%	602.25	661.37	725.18
% increase/-decrease			12.6%	12.0%	11.6%	–	–		10.1%	9.8%	9.6%

BUF Buffalo City - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883
Entities										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		1 465 068	1 699 360	1 966 369	1 233 269	979 567	979 567	2 303 434	2 341 401	2 453 883

BUF Buffalo City - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
Name of institution & investment ID	1	Yrs/Months							
Parent municipality									
RMB		Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various
Standard Bank		Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various
Stanlib		Various	Short Term / Call	No	Variable	6.26% - 6.27%	0	N/A	Various
ABSA		Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various
Nedbank		Various	Short Term / Call	No	Variable	0.0525	0	N/A	Various
Municipality sub-total									
Entities									
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

BUF Buffalo City - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity reducing balance)		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		604 256	597 207	542 574	542 574	542 574	542 574	496 477	445 768	398 126
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		990	3 623	3 425	3 941	3 941	3 941	3 941	3 941	3 425
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	**605 246**	**600 830**	**545 999**	**546 515**	**546 515**	**546 515**	**500 418**	**449 709**	**401 551**
Entities										
Long-Term Loans (annuity/reducing balance)		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Entities sub-total	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Borrowing		**605 246**	**600 830**	**545 999**	**546 515**	**546 515**	**546 515**	**500 418**	**449 709**	**401 551**

BUF Buffalo City - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
Entities										
Long-Term Loans (annuity/reducing balance)		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		585 976	657 974	706 873	698 929	699 729	699 729	714 196	696 620	704 510
Local Government Equitable Share		582 812	650 616	653 660	656 674	656 674	656 674	655 141	643 419	649 421
Urban Settlement Development Grant		–	–	43 508	33 465	34 265	34 265	33 348	33 148	32 148
Finance Management		1 450	1 500	1 300	1 500	1 500	1 500	1 300	1 300	1 300
EPWP Incentive		–	1 484	2 705	1 890	1 890	1 890	1 149	–	–
Infrastucture Skills Development Grant		–	3 000	5 700	5 400	5 400	5 400	8 400	9 500	11 000
Integrated National Electrification Programme		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
Department of Water Affairs		1 714	1 374	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	5 605	–	–
Municipal Human Settlement Capacity Grant		–	–	–	–	–	–	9 253	9 253	10 641
Provincial Government:		5 414	5 831	103 141	121 698	221 486	221 486	531 687	644 531	537 331
Roads Subsidy - Provincial Roads		–	–	–	1 871	1 871	1 871	1 871	1 871	1 871
Dept of Economic Development, Environmental Affairs and		–	–	–	3 745	3 546	3 546	–	–	–
Department of Environmental Affairs (Greening Award)		–	–	–	–	2 500	2 500	–	–	–
Department of Water Affairs		–	5 831	2 627	–	–	–	–	–	–
Local Government & Traditional Affairs		–	–	–	9 101	8 369	8 369	2 000	1 000	1 000
Health Subsidy - Primary Health Care		–	–	–	–	–	–	–	–	–
Health Subsidy - ATIC		5 414	–	–	2 522	2 522	2 522	2 522	2 522	2 522
Cooperative Governance and Traditional Affairs		–	–	–	–	–	–	–	–	–
Library Subsidy		–	–	7 276	3 638	3 638	3 638	3 638	3 638	3 638
Reclaim Land Claims Commission(RLCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	–	–	37	37	37	–	–	–
Dept of Land Affairs		–	–	–	777	152	152	–	–	–
Accreditation Capacity Enhancement Grant		–	–	–	–	–	–	–	–	–
Human Settlement Development Grant		–	–	93 238	99 938	198 783	198 783	521 656	633 500	528 300
Human Settlement Development Grant - MPCC		–	–	–	–	–	–	–	2 000	–
Office of the Premier		–	–	–	67	67	67	–	–	–
District Municipality:		–	–	1 288	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	1 288	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other grant providers:		**5 181**	**3 656**	**4 186**	**7 905**	**8 006**	**8 006**	**3 329**	**3 196**	**3 196**
SETA - Skills Development		4 387	3 419	3 130	2 795	2 795	2 795	2 989	3 196	3 196
SETA - Councillor Training		–	–	–	–	–	–	–	–	–
Donor Funding - Leiden & Galve		236	50	345	136	136	136	–	–	–
Salaida		–	–	–	–	–	–	–	–	–
Trust Funds		277	188	–	2 715	2 782	2 782	–	–	–
Umsobomvu Youth Fund		–	–	–	710	745	745	–	–	–
BCMET Funding		281	–	710	–	–	–	–	–	–
Donor Funding - European Commission		–	–	–	500	500	500	340	–	–
DBSA		–	–	–	–	–	–	–	–	–
LOTTO		–	–	–	–	–	–	–	–	–
Vuna Award		–	–	–	1 049	1 049	1 049	–	–	–
SIDA		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**596 571**	**667 461**	**815 488**	**828 531**	**929 221**	**929 221**	**1 249 211**	**1 344 347**	**1 245 037**
Capital Transfers and Grants										
National Government:		**652 686**	**542 474**	**619 676**	**671 925**	**664 712**	**664 712**	**742 884**	**818 419**	**911 943**
Urban Settlement Development Grant		423 446	499 474	569 797	639 825	639 025	639 025	679 784	715 222	758 942
Infrastructure Skills Development Grant		–	–	100	100	100	100	100	–	–
Municipal Infrastructure Grant (MIG)		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management		4 000	10 000	4 579	–	–	–	13 000	5 000	5 000
Public Transport and Systems		180 000	3 000	20 000	–	–	–	–	38 306	82 172
Neighbourhood Development Partnership		–	–	–	5 000	5 000	5 000	20 000	20 000	25 000
Integrated National Electrification Programme		26 895	30 000	25 000	27 000	20 587	20 587	30 000	30 000	30 000
Department of Water Afairs		18 345	–	–	–	–	–	–	–	–
Finance Management		–	–	200	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	9 891	10 829
Provincial Government:		**30 463**	**20 880**	**29 025**	**28 857**	**55 432**	**55 432**	**107 469**	**106 300**	**65 000**
Disaster Relief Fund		–	–	–	–	–	–	–	–	–
Human Settlement Development Grant		30 463	20 880	29 025	18 600	–	–	94 400	106 300	65 000
Human Settlement Development Grant - MPCC		–	–	–	10 069	51 657	51 657	13 069	–	–
Dept of Human Settlement Grant - Special Fund		–	–	–	–	700	700	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	–	–	–	2 686	2 686	–	–	–

BUF Buffalo City - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Dept of Local Government and Traditional Affairs		–	–	–	189	189	189	–	–	–
Dept of Land Affairs		–	–	–	–	–	–	–	–	–
Provincial Treasury		–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	–	–	199	199	–	–	–
Dept of Science and Technology		–	–	–	–	–	–	–	–	–
Office of the Premier		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		760	272	340	–	716	716	–	–	–
BCMET Funding		–	–	–	–	257	257	–	–	–
Public Funding		686	272	340	–	–	–	–	–	–
SIDA		–	–	–	–	–	–	–	–	–
ECDC		–	–	–	–	–	–	–	–	–
European Commission		–	–	–	–	–	–	–	–	–
Lieden		74	–	–	–	459	459	–	–	–
Total Capital Transfers and Grants	5	683 910	563 626	649 041	700 782	720 859	720 859	850 353	924 719	976 943
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 280 481	1 231 087	1 464 529	1 529 313	1 650 079	1 650 079	2 099 564	2 269 066	2 221 980

BUF Buffalo City - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**590 562**	**661 669**	**683 033**	**698 929**	**699 729**	**699 729**	**714 196**	**696 620**	**704 510**
Local Government Equitable Share		582 812	650 616	653 660	656 674	656 674	656 674	655 141	643 419	649 421
Urban Settlement Development Grant		4 579	6 232	20 855	33 465	34 265	34 265	33 348	33 148	32 148
Finance Management		1 459	1 500	1 294	1 500	1 500	1 500	1 300	1 300	1 300
EPWP Incentive		–	930	3 278	1 890	1 890	1 890	1 149	–	–
Infrastucture Skills Development Grant		–	1 265	3 946	5 400	5 400	5 400	8 400	9 500	11 000
Municipal Infrastructure Grant (MIG)		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
Department of Water Affairs		1 712	1 126	–	–	–	–	–	–	–
Integrated National Electrification Programme		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	5 605	–	–
Municipal Human Settlement Capacity Grant		–	–	–	–	–	–	9 253	9 253	10 641
Provincial Government:		**47 061**	**55 722**	**125 579**	**122 746**	**221 486**	**221 486**	**531 687**	**644 531**	**537 331**
Roads Subsidy - Provincial Roads		–	–	1 871	1 871	1 871	1 871	1 871	1 871	1 871
Dept of Economic Development, Environmental Affairs and		26	–	–	3 745	3 546	3 546	–	–	–
Department of Environmental Affairs (Greening Award)		–	–	–	–	2 500	2 500	–	–	–
Department of Water Affairs		18 928	7 730	2 313	–	–	–	–	–	–
Local Government & Traditional Affairs		200	–	–	9 101	8 369	8 369	2 000	1 000	1 000
Health Subsidy - Primary Health Care		–	–	–	–	–	–	–	–	–
Health Subsidy - ATIC		–	73	2 522	2 522	2 522	2 522	2 522	2 522	2 522
Cooperative Governance and Traditional Affairs		–	–	–	1 049	–	–	–	–	–
Library Subsidy		–	–	3 638	3 638	3 638	3 638	3 638	3 638	3 638
Reclaim Land Claims Commission(RLCC		–	–	228	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	–	–	37	37	37	–	–	–
Dept of Land Affairs		50	1	318	777	152	152	–	–	–
Accreditation Capacity Enhancement Grant		–	–	–	–	–	–	–	–	–
Human Settlement Development Grant		27 858	47 918	114 688	99 938	198 783	198 783	521 656	633 500	528 300
Human Settlement Development Grant - MPCC		–	–	–	–	–	–	–	2 000	–
Office of the Premier		–	–	–	67	67	67	–	–	–
District Municipality:		**–**	**1 754**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Health Subsidy - Environmental Health		–	1 754	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other grant providers:		2 394	4 312	3 003	6 856	8 006	8 006	3 329	3 196	3 196
SETA - Skills Development		1 079	3 890	2 795	2 795	2 795	2 795	2 989	3 196	3 196
SETA - Councillor Training		–	–	–	–	–	–	–	–	–
Donor Funding - Leiden & Galve		421	414	209	136	136	136	–	–	–
Safaida		279	9	–	–	–	–	–	–	–
Trust Funds		16	–	–	2 715	2 782	2 782	–	–	–
Umsobomvu Youth Fund		–	–	–	710	745	745	–	–	–
BCMET Funding		281	–	–	–	–	–	–	–	–
Donor Funding - European Commission		318	–	–	500	500	500	340	–	–
DBSA		–	–	–	–	–	–	–	–	–
LOTTO		–	–	–	–	–	–	–	–	–
Vuna Award		–	–	–	–	1 049	1 049	–	–	–
SIDA		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		640 018	723 457	811 614	828 531	929 221	929 221	1 249 211	1 344 347	1 245 037
Capital expenditure of Transfers and Grants										
National Government:		180 391	509 146	722 854	671 925	664 712	664 712	742 884	818 419	911 943
Urban Settlement Development Grant		151 552	465 008	693 162	639 825	639 025	639 025	679 784	715 222	758 942
Infrastructure Skills Development Grant		–	655	23	100	100	100	100	–	–
Municipal Infrastructure Grant (MIG)		2 987	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management		3 927	10 071	4 578	–	–	–	13 000	5 000	5 000
Public Transport and Systems		1 283	133	–	–	–	–	–	38 306	82 172
Neighbourhood Development Partnership		–	–	–	5 000	5 000	5 000	20 000	20 000	25 000
Integrated National Electrification Programme		20 641	33 278	24 997	27 000	20 587	20 587	30 000	30 000	30 000
Department of Water Affairs		–	–	–	–	–	–	–	–	–
Finance Management		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	94	–	–	–	–	9 891	10 829
Provincial Government:		6 443	6 220	10 506	26 857	55 432	55 432	107 469	106 300	65 000
Disaster Relief Fund		198	–	–	–	–	–	–	–	–
Human Settlement Development Grant		4 100	6 220	9 460	18 600	–	–	94 400	106 300	65 000
Human Settlement Development Grant - MPCC		–	–	–	10 069	51 657	51 657	13 069	–	–
Dept of Human Settlement Grant - Special Fund		–	–	–	–	700	700	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 219	–	1 046	–	2 686	2 686	–	–	–
Dept of Local Government and Traditional Affairs		–	–	–	189	189	189	–	–	–
Dept of Land Affairs		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Provincial Treasury		342	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and		–	–	–	–	199	99	–	–	–
Dept of Science and Technology		150	–	–	–	–	–	–	–	–
Office of the Premier		433	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		730	205	1 143	–	716	716	–	–	–
BCMET Funding		–	205	1 143	–	257	257	–	–	–
Public Funding		–	–	–	–	–	–	–	–	–
SIDA		–	–	–	–	–	–	–	–	–
ECDC		–	–	–	–	–	–	–	–	–
European Commission		–	–	–	–	–	–	–	–	–
Lieden		730	–	–	–	459	459	–	–	–
Total capital expenditure of Transfers and Grants		187 564	515 570	734 503	700 782	720 859	720 859	850 353	924 719	976 943
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		827 581	1 239 027	1 546 117	1 529 313	1 650 079	1 650 079	2 099 564	2 269 066	2 221 980

BUF Buffalo City - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		130 094	67 401	(20 847)	–	–	–	–	–	–
Current year receipts		581 254	647 124	706 873	698 929	699 729	699 729	714 196	696 620	704 510
Conditions met - transferred to revenue		711 349	712 891	683 033	698 929	699 729	699 729	714 196	696 620	704 510
Conditions still to be met - transferred to liabilities		(1)	1 634	2 994	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		31 496	169 490	172 729	–	–	–	–	–	–
Current year receipts		146 363	5 831	103 141	122 746	221 486	221 486	531 687	644 531	537 331
Conditions met - transferred to revenue		6 390	6 439	126 131	122 746	221 486	221 486	531 687	644 531	537 331
Conditions still to be met - transferred to liabilities		171 470	168 882	149 739	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	1 288	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	1 288	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		16 500	17 229	16 052	–	–	–	–	–	–
Current year receipts		5 181	3 656	4 186	8 856	8 006	8 006	3 451	1 643	3 845
Conditions met - transferred to revenue		6 432	4 127	3 003	6 856	8 086	8 066	3 451	1 643	3 845
Conditions still to be met - transferred to liabilities		15 249	16 758	17 234	–	(80)	(80)	–	–	–
Total operating transfers and grants revenue		724 170	723 457	812 167	828 531	929 301	929 301	1 249 333	1 342 793	1 245 686
Total operating transfers and grants - CTBM	2	186 718	187 274	171 255	–	(80)	(80)	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5 841	227 220	112 078	–	–	–	–	–	–
Current year receipts		652 686	542 474	619 676	671 925	664 712	664 712	742 884	818 419	911 943
Conditions met - transferred to revenue		118 480	609 146	722 854	671 925	664 712	664 712	742 884	818 419	911 943
Conditions still to be met - transferred to liabilities		540 047	260 548	8 900	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		11 948	10 727	16 687	–	–	–	–	–	–
Current year receipts		30 463	6 220	29 025	28 857	55 432	55 432	107 469	106 300	65 000
Conditions met - transferred to revenue		31 684	6 220	10 505	28 857	55 432	55 432	107 469	106 300	65 000
Conditions still to be met - transferred to liabilities		10 727	10 727	35 207	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		1 979	1 979	1 979	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		1 979	1 979	1 979	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		144	67	18	–	–	–	–	–	–
Current year receipts		760	205	340	–	257	257	–	–	–
Conditions met - transferred to revenue		837	205	1 143	–	257	257	–	–	–
Conditions still to be met - transferred to liabilities		67	67	(785)	–	–	–	–	–	–
Total capital transfers and grants revenue		151 001	515 570	734 503	700 782	720 400	720 400	850 353	924 719	976 943
Total capital transfers and grants - CTBM	2	552 821	273 322	45 301	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		875 171	1 239 027	1 546 670	1 529 313	1 649 701	1 649 701	2 099 686	2 267 513	2 222 629
TOTAL TRANSFERS AND GRANTS - CTBM		739 538	460 596	216 555	–	(80)	(80)	–	–	–

BUF Buffalo City - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Buffalo City Development Agency	2	1 364	468	1 034	5 391	5 391	5 391	5 391	5 855	6 359	6 893
Buffalo City Tourism		–	–	–	1 000	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		1 364	468	1 034	6 391	5 391	5 391	5 391	5 855	6 359	6 893
Cash Transfers to other Organs of State											
Insert description	3										
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description	4										
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
Arts Centre Subsidy	5	–	–	–	179	179	179	179	194	211	229
Miscellaneous Grants and Subsidies		(1 196)	1 606	241	1 465	1 465	1 465	1 465	1 591	1 728	1 873
Mayors Social Responsibility		421	400	435	490	470	470	470	532	578	626
SponsordSporting Events		–	–	11 321	15 425	18 070	18 070	18 070	17 320	17 320	17 320
Total Cash Transfers To Groups Of Individuals:		(775)	2 006	11 997	17 559	20 184	20 184	20 184	19 638	19 837	20 048
TOTAL CASH TRANSFERS AND GRANTS	6	588	2 474	13 032	23 951	25 576	25 576	25 576	25 493	26 196	26 941
Non-Cash Transfers to other municipalities											
Insert description	1										
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Insert description	3										
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Insert description	4										
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Rates Rebates for Pensioners	5	–	1 637	2 928	4 256	4 256	4 256	4 256	4 745	5 291	5 889
Social Welfare Grant		98 647	94 920	128 998	175 806	165 806	165 806	165 806	228 330	249 896	273 025
Total Non-Cash Grants To Groups Of Individuals:		98 647	96 557	131 925	180 062	170 062	170 062	170 062	233 076	255 187	278 914
TOTAL NON-CASH TRANSFERS AND GRANTS		98 647	96 557	131 925	180 062	170 062	170 062	170 062	233 076	255 187	278 914
TOTAL TRANSFERS AND GRANTS	6	99 235	99 031	144 957	204 013	195 638	195 638	195 638	258 568	281 382	305 855

BUF Buffalo City - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		30 978	26 569	27 566	31 286	31 286	31 286	31 903	34 136	36 525
Pension and UIF Contributions		1 855	2 627	2 833	3 303	3 303	3 303	3 328	3 561	3 811
Medical Aid Contributions		795	1 031	1 368	1 524	1 524	1 524	1 856	1 986	2 125
Motor Vehicle Allowance		7 076	10 414	10 796	12 907	12 907	12 907	12 944	13 850	14 820
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		2 262	2 690	2 525	3 234	3 234	3 234	2 879	3 081	3 297
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**42 966**	**43 331**	**45 088**	**52 254**	**52 254**	**52 254**	**52 910**	**56 614**	**60 577**
% increase	4		**0.9%**	**4.1%**	**15.9%**	**–**	**–**	**1.3%**	**7.0%**	**7.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 840	4 154	3 537	8 717	13 628	13 628	15 026	15 867	16 756
Pension and UIF Contributions		854	590	667	1 580	2 247	2 247	2 734	2 886	3 046
Medical Aid Contributions		79	48	103	205	205	205	266	281	297
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	884	651	808	2 277	2 894	2 894	2 738	2 891	3 053
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	36	4	–	77	77	77	83	83	83
Other benefits and allowances	3	2 039	1 267	959	1 621	1 652	1 652	2 273	2 400	2 534
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	33	–	–	36	38	40
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**9 733**	**6 715**	**6 074**	**14 510**	**20 704**	**20 704**	**23 157**	**24 447**	**25 810**
% increase	4		**(31.0%)**	**(9.5%)**	**138.9%**	**42.7%**	**–**	**11.8%**	**5.6%**	**5.6%**
Other Municipal Staff										
Basic Salaries and Wages		596 333	606 290	654 048	775 458	773 874	773 874	851 398	899 393	949 762
Pension and UIF Contributions		115 507	118 568	126 960	144 765	145 200	145 200	155 271	163 810	172 815
Medical Aid Contributions		40 331	42 170	46 769	57 614	58 141	58 141	96 719	102 135	107 854
Overtime		50 916	62 099	80 707	57 128	57 148	57 148	60 348	63 728	67 297
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	17 834	16 766	17 823	25 328	24 175	24 175	26 800	28 301	29 885
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	3 734	3 504	3 219	7 313	7 300	7 300	10 185	10 185	10 185
Other benefits and allowances	3	84 466	92 356	156 712	125 372	124 969	124 969	139 402	147 183	155 400
Payments in lieu of leave		25 320	20 868	22 094	13 000	13 000	13 000	7 307	7 819	8 366
Long service awards		12 194	13 225	14 840	16 727	16 613	16 613	17 033	17 987	18 994

BUF Buffalo City - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		946 633	975 846	1 123 172	1 222 705	1 220 421	1 220 421	1 364 462	1 440 540	1 520 558
% increase	4		3.1%	15.1%	8.9%	(0.2%)	–	11.8%	5.6%	5.6%
Total Parent Municipality		999 331	1 025 891	1 174 333	1 289 469	1 293 379	1 293 379	1 440 529	1 521 601	1 606 945
			2.7%	14.5%	9.8%	0.3%	–	11.4%	5.6%	5.6%
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	96	125	172
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities		–	–	–	–	–	–	96	125	172
% increase	4		–	–	–	–	–	–	30.0%	37.6%
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	1 004	1 075	1 150
Pension and UIF Contributions		–	–	–	–	–	–	184	197	211
Medical Aid Contributions		–	–	–	–	–	–	91	98	105
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	310	331	355
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	25	41	41
Other benefits and allowances	3	–	–	–	–	–	–	104	111	118
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	1 718	1 853	1 979
% increase	4		–	–	–	–	–	–	7.8%	6.8%

BUF Buffalo City - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	180	192	206
Pension and UIF Contributions		–	–	–	–	–	–	34	37	39
Medical Aid Contributions		–	–	–	–	–	–	91	98	105
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	16	16	16
Other benefits and allowances	3	–	–	–	–	–	–	19	21	21
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	341	365	388
% increase	4		–	–	–	–	–	–	7.1%	6.3%
Total Municipal Entities		–	–	–	–	–	–	2 155	2 342	2 539
TOTAL SALARY, ALLOWANCES & BENEFITS		999 331	1 025 891	1 174 333	1 289 469	1 293 379	1 293 379	1 442 684	1 523 943	1 609 484
% increase	4		2.7%	14.5%	9.8%	0.3%	–	11.5%	5.6%	5.6%
TOTAL MANAGERS AND STAFF	5,7	956 365	982 560	1 129 246	1 237 215	1 241 125	1 241 125	1 389 678	1 467 205	1 548 735

BUF Buffalo City - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.					2.
Councillors	3							
Speaker	4	1	616 356	106 558	304 346			1 027 260
Chief Whip		–	–	–	–			–
Executive Mayor		1	770 445	14 096	499 534			1 284 075
Deputy Executive Mayor		1	616 356	92 453	318 451			1 027 260
Executive Committee		10	5 778 333	668 729	3 183 493			9 630 555
Total for all other councillors		106	24 121 244	4 302 111	11 517 685			39 941 040
Total Councillors	8	119	31 902 735	5 183 948	15 823 509			52 910 192
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	2 327 222	468 099	602 347	–		3 397 669
Chief Finance Officer		1	963 820	215 564	404 365	–		1 583 749
Director of Engineering Services		1	1 139 719	220 578	385 960	–		1 746 256
Director of Public Safety and Health		1	1 116 450	200 961	428 845	–		1 746 256
Director Of Community Services		1	1 132 778	203 900	409 579	–		1 746 256
Other		8	8 345 706	1 668 456	2 922 192	–		12 936 354
List of each offical with packages >= senior manager								
List of each offical with packages >= senior manager		–	–	–	–	–		–
Head: Internal Audit & Performance Management		–	–	–	–	–		–
Head: Geographical Information & Policy		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
Total Senior Managers of the Municipality	8,10	13	15 025 694	2 977 557	5 153 288	–		23 156 539
A Heading for Each Entity	6,7							
List each member of board by designation								
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–

BUF Buffalo City - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
		–	–	–	–	–		–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	132	46 928 429	8 161 505	20 976 797	–		76 066 731

BUF Buffalo City - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		117	–	117	117	–	117	119	–	119
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	10	–	10	11	1	10	12	2	10
Other Managers	7	38	20	18	40	23	17	43	26	17
Professionals		*160*	*160*	–	*160*	*160*	–	*190*	*190*	–
Finance		67	67	–	65	65	–	93	93	–
Spatial/town planning		10	10	–	10	10	–	10	10	–
Information Technology		3	3	–	3	3	–	3	3	–
Roads		3	3	–	3	3	–	3	3	–
Electricity		8	8	–	8	8	–	8	8	–
Water		5	5	–	5	5	–	5	5	–
Sanitation		4	4	–	4	4	–	4	4	–
Refuse		1	1	–	1	1	–	1	1	–
Other		59	59	–	61	61	–	63	63	–
Technicians		*290*	*290*	–	*285*	*285*	–	*287*	*287*	–
Finance		9	9	–	9	9	–	9	9	–
Spatial/town planning		15	15	–	15	15	–	15	15	–
Information Technology		13	13	–	13	13	–	13	13	–
Roads		6	6	–	6	6	–	6	6	–
Electricity		10	10	–	10	10	–	10	10	–
Water		27	27	–	27	27	–	27	27	–
Sanitation		16	16	–	16	16	–	16	16	–
Refuse		7	7	–	7	7	–	7	7	–
Other		187	187	–	182	182	–	184	184	–
Clerks (Clerical and administrative)		1 151	1 117	34	1 204	1 172	32	1 308	1 277	31
Service and sales workers		865	864	1	891	879	12	689	677	12
Skilled agricultural and fishery workers		214	214	–	212	212	–	212	212	–
Craft and related trades		383	383	–	381	381	–	382	382	–
Plant and Machine Operators		750	750	–	750	750	–	748	748	–
Elementary Occupations		1 416	1 416	–	1 408	1 408	–	1 415	1 415	–
TOTAL PERSONNEL NUMBERS	9	5 394	5 214	180	5 459	5 271	188	5 405	5 216	189
% increase					1.2%	1.1%	4.4%	(1.0%)	(1.0%)	0.5%
Total municipal employees headcount	6, 10	5 277	5 214	63	5 342	5 271	71	5 286	5 216	70
Finance personnel headcount	8, 10	614	602	12	643	631	12	766	754	12
Human Resources personnel headcount	8, 10	184	180	4	197	193	4	197	185	12

BUF Buffalo City - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		47 515	77 008	697	70 748	69 049	69 311	73 907	85 277	90 962	96 647	108 018	113 703	902 842	988 889	1 081 070
Property rates - penalties & collection charges		75	101	-	102	101	103	12	13	14	15	17	18	571	637	709
Service charges - electricity revenue		4 921	249 125	9 711	134 736	114 858	107 072	134 972	155 737	166 120	176 502	197 267	207 650	1 658 671	1 861 029	2 086 074
Service charges - water revenue		39 957	30 241	(1 063)	33 413	279 421	(191 701)	28 743	33 165	35 376	37 587	42 009	44 220	411 381	455 398	503 215
Service charges - sanitation revenue		288 889	(4 141)	(98)	24 518	149	49 533	(3 156)	(3 642)	(3 885)	(4 128)	(4 613)	(4 856)	314 571	343 522	374 452
Service charges - refuse revenue		22 101	21 671	64	21 963	21 910	21 966	22 930	26 458	28 222	29 986	33 514	35 278	286 063	312 380	340 494
Service charges - other		6 827	4 670	451	3 865	2 782	3 596	(798)	(920)	(982)	(1 043)	(1 166)	(1 227)	16 056	18 083	20 338
Rental of facilities and equipment		757	1 544	150	1 040	888	889	1 737	2 004	2 138	2 272	2 539	2 672	18 629	20 399	22 296
Interest earned - external investments		793	17 827	-	9 430	9 180	8 592	11 414	13 170	14 048	14 926	16 682	17 559	133 620	137 409	141 311
Interest earned - outstanding debtors		2 485	2 562	(7)	2 844	2 898	3 005	2 390	2 758	2 942	3 126	3 494	3 677	32 175	35 231	38 508
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		148	626	46	225	314	260	1 128	1 301	1 388	1 475	1 648	1 735	10 293	11 271	12 319
Licences and permits		861	1 447	351	1 219	1 002	936	2 165	2 498	2 665	2 831	3 165	3 331	22 472	24 607	26 896
Agency services		-	-	-	-	-	-	0	0	0	0	0	(0)	-	-	-
Transfers recognised - operational		260 327	-	-	16 399	17 157	235 525	93 590	107 989	115 188	122 387	136 786	143 985	1 249 333	1 342 793	1 245 686
Other revenue		17 931	133 660	2 090	13 861	6 819	138 084	45 566	52 576	56 081	59 586	66 596	70 101	662 931	699 384	735 483
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions		**673 598**	**536 341**	**12 392**	**334 353**	**526 530**	**447 151**	**414 600**	**478 385**	**510 277**	**542 170**	**605 954**	**637 846**	**5 719 607**	**6 251 033**	**6 630 850**
Expenditure By Type																
Employee related costs		88 196	93 490	(94)	96 326	110 240	99 391	117 009	135 011	144 011	153 012	171 013	180 014	1 387 619	1 464 987	1 546 368
Remuneration of councillors		3 783	3 753	-	3 810	3 790	3 766	4 421	5 101	5 441	5 781	6 462	6 802	52 910	56 614	60 577
Debt impairment		16 923	-	-	16 923	16 923	16 923	23 051	26 598	28 371	30 144	33 690	35 464	245 009	273 185	305 968
Depreciation & asset impairment		-	-	-	59 167	59 167	59 167	69 513	80 207	85 554	90 901	101 596	106 943	712 213	738 315	770 090
Finance charges		4 937	4 937	-	5 370	5 370	5 370	3 683	4 249	4 532	4 816	5 382	5 665	54 313	49 266	44 055
Bulk purchases		143 484	136 355	-	96 974	90 093	82 812	107 548	124 094	132 367	140 640	157 186	165 459	1 377 012	1 561 480	1 771 286
Other materials		-	-	-	-	-	-	0	0	0	0	0	(0)	-	-	-
Contracted services		256	1 575	465	1 694	1 443	2 768	1 745	2 013	2 147	2 281	2 550	2 684	21 622	23 481	25 453
Transfers and grants		612	13 263	453	14 962	26 004	22 170	23 544	27 166	28 977	30 788	34 410	36 221	258 566	281 382	305 855
Other expenditure		39 464	82 833	30 069	116 920	90 682	109 630	148 177	170 973	182 371	193 770	216 566	227 964	1 609 419	1 800 222	1 800 361
Loss on disposal of PPE		-	-	-	-	-	-	0	0	0	0	0	(0)	-	-	-
Total Expenditure		**297 655**	**336 206**	**30 893**	**412 145**	**403 712**	**401 997**	**498 690**	**575 412**	**613 772**	**652 133**	**728 855**	**767 215**	**5 718 685**	**6 248 952**	**6 630 014**
Surplus/(Deficit)		**375 943**	**200 135**	**(18 500)**	**(77 792)**	**122 818**	**45 154**	**(84 090)**	**(97 027)**	**(103 495)**	**(109 964)**	**(122 900)**	**(129 369)**	**922**	**2 081**	**837**
Transfers recognised - capital		0	-	-	-	0	(0)	110 546	127 553	136 056	144 560	161 567	170 071	850 353	924 719	976 943
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**375 943**	**200 135**	**(18 500)**	**(77 792)**	**122 818**	**45 154**	**26 456**	**30 526**	**32 561**	**34 596**	**38 667**	**40 702**	**851 275**	**926 800**	**977 780**
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	**375 943**	**200 135**	**(18 500)**	**(77 792)**	**122 818**	**45 154**	**26 456**	**30 526**	**32 561**	**34 596**	**38 667**	**40 702**	**851 275**	**926 800**	**977 780**

BUF Buffalo City - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		37 902	34 833	34 833	35 333	34 833	6 679	(19 072)	(22 006)	(23 473)	(24 940)	(27 875)	(29 342)	37 902	31 148	31 148
Vote 3 - Directorate - Chief Operations Officer		535 206	153 938	153 938	206 619	153 938	30 023	(90 799)	(104 768)	(111 753)	(118 737)	(132 707)	(139 691)	535 206	645 859	541 057
Vote 4 - Directorate - Chief Financial Officer		1 922 818	1 719 752	1 719 752	1 735 875	1 719 752	614 942	(976 309)	(1 126 511)	(1 201 611)	(1 276 712)	(1 426 914)	(1 502 014)	1 922 818	1 995 512	2 088 184
Vote 5 - Directorate - Corporate Services		11 851	8 309	8 309	8 309	8 309	1 330	(4 494)	(5 185)	(5 531)	(5 876)	(6 568)	(6 913)	11 851	13 144	14 846
Vote 6 - Directorate - Engineering Services		(2 431 878)	(1 932 561)	(2 456 510)	(2 218 073)	(1 942 372)	(390 879)	1 787 110	2 083 845	2 232 127	2 380 495	2 677 230	2 825 598	2 614 132	2 912 495	3 243 700
Vote 7 - Directorate - Development Planning		55 515	55 060	55 060	55 719	55 060	11 162	(30 168)	(34 809)	(37 130)	(39 451)	(44 092)	(46 412)	55 515	60 751	66 363
Vote 8 - Directorate - Health & Public Safety		157 427	144 425	144 425	145 648	144 425	50 128	(81 777)	(94 358)	(100 648)	(106 939)	(119 520)	(125 811)	157 427	172 209	188 063
Vote 9 - Directorate - Community Services		384 756	352 585	352 585	364 934	352 585	123 566	(201 013)	(231 938)	(247 401)	(262 863)	(293 789)	(309 251)	384 756	419 915	457 490
Vote 10 - Directorate - Miscellaneous		-	-	-	-	-	-	141 669	141 669	141 754	141 754	141 754	141 754	850 353	924 719	976 943
Vote 11 - Directorate 11 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Directorate 12 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Directorate 13 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Directorate 14 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Directorate 15 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		673 598	536 341	12 392	334 353	526 530	447 151	525 146	605 938	646 334	686 729	767 521	807 917	6 569 960	7 175 752	7 607 793
Expenditure by Vote to be appropriated																
Vote 1 - Directorate - Executive Support Services		164 414	171 450	164 250	166 677	171 450	48 895	(93 954)	(108 409)	(115 636)	(122 863)	(137 317)	(144 545)	164 414	173 903	180 059
Vote 2 - Directorate - Municipal Manager		102 124	96 919	97 319	94 264	96 919	31 820	(54 241)	(62 586)	(66 758)	(70 931)	(79 276)	(83 448)	102 124	101 381	105 442
Vote 3 - Directorate - Chief Operations Officer		582 205	186 648	186 648	236 700	186 648	47 608	(109 753)	(126 638)	(135 080)	(143 523)	(160 408)	(168 850)	582 205	698 678	599 180
Vote 4 - Directorate - Chief Financial Officer		466 958	397 391	397 391	388 248	397 391	117 637	(220 748)	(254 709)	(271 689)	(288 670)	(322 631)	(339 612)	466 958	482 530	490 889
Vote 5 - Directorate - Corporate Services		214 533	161 383	161 383	164 015	161 383	42 491	(89 785)	(103 598)	(110 505)	(117 411)	(131 224)	(138 131)	214 533	218 319	224 865
Vote 6 - Directorate - Engineering Services		(2 373 112)	(1 753 202)	(2 058 516)	(1 736 869)	(1 685 696)	(216 942)	1 673 393	1 930 838	2 059 561	2 188 283	2 445 729	2 572 886	3 046 354	3 327 251	3 613 566
Vote 7 - Directorate - Development Planning		274 508	266 014	272 814	278 824	266 014	70 954	(150 101)	(173 193)	(184 739)	(196 286)	(219 378)	(230 924)	274 508	293 150	414 553
Vote 8 - Directorate - Health & Public Safety		283 787	260 859	260 859	261 778	260 859	79 847	(146 146)	(168 630)	(179 872)	(191 114)	(213 598)	(224 840)	283 787	300 507	319 145
Vote 9 - Directorate - Community Services		582 239	548 745	548 745	558 507	548 745	179 687	(309 976)	(357 664)	(381 509)	(405 353)	(453 042)	(476 886)	582 239	651 647	680 699
Vote 10 - Directorate - Miscellaneous		-	-	-	-	-	-	-	-	-	-	-	1 565	1 565	1 586	1 614
Vote 11 - Directorate 11 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Directorate 12 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Directorate 13 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Directorate 14 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Directorate 15 - Vacant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		297 655	336 206	30 893	412 145	403 712	401 997	498 690	575 412	613 772	652 133	728 855	767 215	5 718 686	5 248 952	6 630 014
Surplus/(Deficit) before assoc.		375 943	200 135	(18 500)	(77 782)	122 818	45 154	26 456	30 526	32 561	34 596	38 667	40 702	851 275	926 800	977 780
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	375 943	200 135	(18 500)	(77 782)	122 818	45 154	26 456	30 526	32 561	34 596	38 667	40 702	851 275	926 800	977 780

2930 UF Buffalo City - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
Governance and administration		222 951	219 511	846	89 262	86 798	347 669	130 975	151 125	161 200	171 275	191 425	201 500	1 974 740	2 042 158	2 136 732
Executive and council		–	–	–	3 163	2 435	2 672	3 852	4 445	4 741	5 037	5 630	5 926	37 902	31 148	31 148
Budget and treasury office		222 832	219 389	845	85 224	83 918	344 567	125 703	145 042	154 711	164 380	183 719	193 389	1 922 818	1 995 512	2 088 184
Corporate services		119	123	2	875	1 345	630	1 421	1 639	1 748	1 858	2 076	2 185	14 019	15 498	17 401
Community and public safety		12 720	6 490	637	18 533	18 565	26 621	73 770	85 119	90 793	96 468	107 817	113 492	651 123	772 302	678 797
Community and social services		756	907	512	1 356	771	835	1 638	1 890	2 016	2 142	2 394	2 520	17 738	19 103	20 570
Sport and recreation		80	124	82	289	329	199	585	675	720	765	855	900	5 601	6 139	6 718
Public safety		11 484	5 453	42	5 041	5 136	10 675	6 786	7 831	8 353	8 875	9 919	10 441	90 035	98 656	107 907
Housing		5	6	–	11 944	12 329	14 900	64 483	74 403	79 364	84 324	94 244	99 205	535 206	645 859	541 057
Health		394	0	0	3	1	11	277	320	341	362	405	426	2 542	2 544	2 545
Economic and environmental services		9 095	6 019	1 944	7 989	(821)	8 496	8 454	9 755	10 405	11 055	12 356	13 006	97 752	106 838	116 577
Planning and development		1 183	1 842	351	1 851	2 169	1 356	1 628	1 878	2 003	2 128	2 379	2 504	21 272	23 282	25 438
Road transport		7 901	4 169	1 592	6 116	(3 010)	7 113	6 788	7 832	8 355	8 877	9 921	10 443	76 096	83 145	90 701
Environmental protection		11	9	1	22	20	26	38	44	47	50	56	59	385	411	438
Trading services		428 832	302 765	8 966	218 479	420 428	62 617	198 891	229 490	244 789	260 088	290 687	305 986	2 972 019	3 303 511	3 670 108
Electricity		24 120	252 863	9 818	136 535	117 136	122 937	138 194	159 455	170 085	180 715	201 976	212 606	1 726 439	1 934 425	2 167 768
Water		57 330	30 484	(975)	33 639	279 536	(170 913)	32 888	37 948	40 478	43 008	48 067	50 597	492 088	546 275	605 470
Waste water management		286 903	(2 533)	52	26 314	1 151	65 114	2 009	2 319	2 473	2 628	2 937	3 092	392 460	428 549	467 106
Waste management		50 479	21 951	70	21 991	22 605	45 479	25 799	29 769	31 753	33 738	37 707	39 692	361 032	394 263	429 764
Other		–	1 556	–	–	1 560	1 549	113 055	130 449	139 146	147 843	165 236	173 933	874 327	950 943	1 005 579
Total Revenue - Standard		673 598	536 341	12 392	334 363	526 530	447 151	525 146	605 938	646 334	686 729	767 521	807 917	6 569 960	7 175 752	7 607 793
Expenditure - Standard																
Governance and administration		57 039	66 743	5 429	70 079	66 717	68 458	97 929	112 994	120 527	128 060	143 126	150 659	1 087 762	1 130 419	1 159 908
Executive and council		20 171	10 113	2 221	13 552	9 135	10 973	16 623	19 181	20 459	21 738	24 296	25 574	194 037	198 078	206 862
Budget and treasury office		19 885	31 651	903	33 586	32 229	28 455	41 632	48 037	51 240	54 442	60 847	64 050	466 958	482 530	490 889
Corporate services		16 003	24 978	2 305	22 941	25 353	29 030	39 673	45 776	48 828	51 880	57 984	61 035	426 767	449 812	461 856
Community and public safety		27 558	48 051	930	42 819	59 129	50 215	98 848	114 055	121 659	129 263	144 470	152 074	989 070	1 157 225	1 082 404
Community and social services		6 636	7 606	289	6 751	6 740	8 255	7 416	8 556	9 127	9 697	10 838	11 409	93 320	125 782	129 465
Sport and recreation		4 882	5 424	154	6 102	6 656	6 187	5 816	6 711	7 159	7 606	8 501	8 948	74 147	79 494	84 789
Public safety		12 561	15 244	434	15 648	25 982	15 303	17 433	20 115	21 456	22 797	25 479	26 820	219 275	232 402	246 842
Housing		1 428	17 633	36	12 094	16 156	18 169	65 808	75 932	80 994	86 056	96 181	101 243	571 731	687 587	587 476
Health		2 051	2 144	16	2 224	3 595	2 301	2 375	2 740	2 923	3 105	3 471	3 653	30 598	31 959	33 832
Economic and environmental services		19 103	25 127	10 528	84 050	77 658	77 942	71 360	82 339	87 828	93 317	104 296	109 785	843 333	800 473	917 779
Planning and development		6 292	7 894	1 633	18 549	16 858	21 382	18 343	21 165	22 576	23 987	26 809	28 220	213 708	227 277	343 072
Road transport		6 634	10 120	8 332	57 338	53 186	46 931	44 895	51 802	55 255	58 709	65 615	69 069	527 886	466 359	461 661
Environmental protection		6 177	7 112	563	8 163	7 613	9 629	8 123	9 372	9 997	10 622	11 871	12 496	101 739	106 837	113 027
Trading services		193 123	195 503	13 900	214 054	199 142	204 267	229 018	264 252	281 869	299 486	334 719	352 336	2 781 669	3 143 006	3 451 272
Electricity		142 680	137 898	7 567	118 622	104 257	100 562	131 861	152 148	162 291	172 434	192 720	202 854	1 625 904	1 853 382	2 087 337
Water		26 927	25 849	1 782	35 635	38 247	40 106	43 523	50 219	53 567	56 914	63 610	66 958	503 337	565 376	619 695
Waste water management		10 337	12 785	1 562	29 741	31 186	31 566	31 857	36 758	39 209	41 659	46 560	49 011	382 232	408 524	414 504
Waste management		13 178	18 970	2 989	30 055	25 452	32 033	21 777	25 128	26 803	28 478	31 828	33 503	290 196	315 723	329 736
Other		822	783	106	1 143	1 066	1 115	1 535	1 771	1 889	2 007	2 243	2 361	16 851	17 829	18 951
Total Expenditure - Standard		297 655	336 206	30 893	412 145	403 712	401 997	498 690	575 412	613 772	652 133	728 855	767 215	5 718 685	6 248 952	6 630 014
Surplus/(Deficit) before assoc.		375 943	200 135	(18 500)	(77 782)	122 818	45 154	26 456	30 526	32 561	34 596	38 667	40 702	851 275	926 800	977 780
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	375 943	200 135	(18 500)	(77 782)	122 818	45 154	26 456	30 526	32 561	34 596	38 667	40 702	851 275	926 800	977 780

BUF Buffalo City - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Directorate - Executive Support Services		–	533	730	358	1 076	564	231	511	421	355	960	460	6 200	500	500
Vote 2 - Directorate - Municipal Manager		–	21	13	–	–	–	–	4	6	30	93	21 333	21 500	31 891	37 829
Vote 3 - Directorate - Chief Operations Officer		–	5 375	1 732	3 053	1 723	4 030	299	777	2 077	3 124	4 767	184 468	211 424	323 360	386 580
Vote 4 - Directorate - Chief Financial Officer		5	293	303	817	529	884	220	1 462	1 440	925	2 385	736	10 000	10 500	10 500
Vote 5 - Directorate - Corporate Services		–	10	164	417	67	761	359	187	350	302	521	18 463	21 600	20 200	500
Vote 6 - Directorate - Engineering Services		2 281	20 769	17 379	35 825	32 393	33 461	24 258	24 516	38 818	53 688	44 369	492 800	820 556	713 276	751 198
Vote 7 - Directorate - Development Planning		100	1 253	2 485	2 307	4 837	6 624	1 820	4 146	4 218	6 550	7 533	26 349	68 221	163 611	225 022
Vote 8 - Directorate - Health & Public Safety		93	12	1 925	2 346	2 009	3 365	2 191	396	1 330	3 204	3 046	1 735	21 650	28 540	22 655
Vote 9 - Directorate - Community Services		59	1 855	122	440	700	1 286	235	834	2 402	840	1 477	83 955	94 204	57 662	86 285
Vote 10 - Directorate - Miscellaneous		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**2 538**	**30 122**	**24 852**	**45 563**	**43 333**	**50 976**	**29 612**	**32 833**	**51 060**	**69 017**	**65 150**	**830 300**	**1 275 354**	**1 349 540**	**1 521 069**
Single-year expenditure *to be appropriated*																
Vote 1 - Directorate - Executive Support Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Directorate - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Chief Operations Officer		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Directorate - Chief Financial Officer		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Engineering Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Directorate - Health & Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Directorate - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Directorate - Miscellaneous		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Directorate 11 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Directorate 12 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Directorate 13 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Directorate 14 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Directorate 15 - Vacant		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	2	**2 538**	**30 122**	**24 852**	**45 563**	**43 333**	**50 976**	**29 612**	**32 833**	**51 060**	**69 017**	**65 150**	**830 300**	**1 275 354**	**1 349 540**	**1 521 069**

BUF Buffalo City - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
Governance and administration		5	836	1 195	1 592	1 671	2 210	810	2 160	2 211	1 582	3 866	41 160	59 300	63 091	49 329
Executive and council		–	533	730	358	1 076	564	231	511	421	355	960	21 960	27 700	32 391	38 329
Budget and treasury office		5	293	303	817	529	884	220	1 462	1 440	925	2 385	736	10 000	10 500	10 500
Corporate services		–	10	164	417	67	761	359	187	350	302	521	18 463	21 600	20 200	500
Community and public safety		152	6 979	3 299	5 013	3 434	7 692	2 055	4 187	5 159	6 234	9 032	252 332	305 568	394 150	494 520
Community and social services		59	856	1 302	1 899	1 439	2 706	1 484	2 032	2 639	1 882	3 403	20 569	40 269	17 500	46 460
Sport and recreation		93	395	197	63	120	888	98	1 204	307	468	689	27 703	32 225	24 750	38 825
Public safety		–	354	68	17	153	109	175	174	137	761	174	19 530	21 650	28 540	22 656
Housing		–	5 375	1 732	3 034	1 723	3 988	299	777	2 077	3 124	4 767	184 529	211 424	323 360	386 580
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		458	7 252	13 492	10 531	18 407	16 993	7 071	10 153	21 427	27 161	31 003	165 243	333 221	423 611	449 922
Planning and development		100	1 421	2 635	2 761	4 948	6 884	1 833	6 779	4 353	7 017	6 576	22 913	68 221	163 611	225 022
Road transport		358	5 861	10 857	7 770	13 459	10 110	5 238	3 374	17 074	20 143	24 427	146 330	265 000	260 000	224 900
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		1 923	15 012	6 763	19 388	19 592	24 016	18 311	16 166	21 634	29 102	19 331	338 035	529 266	450 688	496 798
Electricity		28	27	233	6 435	4 179	6 198	5 669	6 573	4 537	12 034	7 315	105 270	158 500	171 500	111 500
Water		1 358	7 334	3 626	1 467	3 381	11 372	11 052	4 969	7 737	8 811	7 501	22 372	91 000	91 000	91 000
Waste water management		536	7 548	2 657	11 143	11 321	5 731	1 031	4 144	8 924	7 776	4 477	192 768	258 056	172 776	293 298
Waste management		–	104	247	334	712	715	558	460	436	481	38	17 625	21 710	15 412	1 000
Other		–	12	101	9 047	230	65	1 365	166	629	4 938	1 918	29 530	48 000	18 000	30 500
Total Capital Expenditure - Standard	2	2 538	30 122	24 852	45 563	43 333	50 976	29 612	32 833	51 060	69 017	65 150	830 300	1 275 354	1 349 540	1 521 069
Funded by:																
National Government		–	–	–	–	–	–	–	–	–	–	–	742 884	742 884	818 419	911 943
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	107 469	107 469	106 300	65 000
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–	–	850 353	850 353	924 719	976 943
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–	–	–	425 002	425 002	424 821	544 126
Total Capital Funding		–	–	–	–	–	–	–	–	–	–	–	1 275 354	1 275 354	1 349 540	1 521 069

BUF Buffalo City - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	43 714	70 847	641	65 088	63 526	63 766	67 994	78 455	83 685	88 916	99 376	104 607	830 615	909 778	994 584
Property rates - penalties & collection charges	69	93	–	94	93	94	11	12	13	14	16	16	525	586	652
Service charges - electricity revenue	4 528	229 195	8 934	123 957	105 670	98 506	124 174	143 278	152 830	162 382	181 486	191 038	1 525 978	1 712 147	1 921 028
Service charges - water revenue	36 770	27 822	(978)	30 740	257 067	(176 365)	26 444	30 512	32 546	34 580	38 649	40 683	378 470	418 967	462 958
Service charges - sanitation revenue	247 378	(3 810)	(90)	22 556	137	45 571	(2 904)	(3 351)	(3 574)	(3 797)	(4 244)	(4 467)	289 405	316 041	344 496
Service charges - refuse revenue	20 333	19 937	59	20 206	20 157	20 209	21 096	24 342	25 964	27 587	30 833	32 455	263 178	287 390	313 256
Service charges - other	6 281	4 296	415	3 555	2 560	3 308	(734)	(847)	(903)	(960)	(1 072)	(1 129)	14 771	16 637	18 711
Rental of facilities and equipment	696	1 420	138	957	817	818	1 598	1 844	1 967	2 090	2 336	2 459	17 139	18 767	20 512
Interest earned - external investments	730	16 401	–	8 675	8 446	7 905	10 501	12 116	12 924	13 732	15 347	16 155	122 930	126 416	130 006
Interest earned - outstanding debtors	2 286	2 357	(6)	2 617	2 666	2 765	2 199	2 537	2 707	2 876	3 214	3 383	29 601	32 413	35 427
Dividends received	–	–	–	–	–	–	0	0	0	0	0	0	0	–	–
Fines	136	576	42	207	289	239	1 037	1 197	1 277	1 357	1 516	1 596	9 470	10 369	11 334
Licences and permits	792	1 332	323	1 121	922	861	1 992	2 299	2 452	2 605	2 911	3 065	20 675	22 639	24 744
Agency services	–	–	–	–	–	–	0	0	0	0	0	0	0	0	0
Transfer receipts - operational	239 501	–	–	15 087	15 784	216 663	86 103	99 350	105 973	112 596	125 843	132 466	1 149 387	1 235 370	1 146 031
Other revenue	16 497	122 967	1 923	12 753	6 274	127 019	41 920	48 370	51 594	54 819	61 268	64 493	609 896	643 433	676 644
Cash Receipts by Source	**619 710**	**493 434**	**11 401**	**307 614**	**484 407**	**411 379**	**381 432**	**440 114**	**469 455**	**498 796**	**557 478**	**586 819**	**5 262 039**	**5 750 950**	**6 100 382**
Other Cash Flows by Source															
Transfer receipts - capital	0	–	–	–	0	(0)	110 546	127 553	136 056	144 560	161 567	170 071	850 353	924 719	976 943
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	157 823
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**619 710**	**493 434**	**11 401**	**307 614**	**484 407**	**411 379**	**491 978**	**567 667**	**605 511**	**643 356**	**719 045**	**756 889**	**6 112 391**	**6 675 669**	**7 235 148**
Cash Payments by Type															
Employee related costs	88 196	93 490	(94)	96 326	110 240	99 391	117 009	135 011	144 011	153 012	171 013	180 014	1 387 619	1 464 987	1 546 368
Remuneration of councillors	3 783	3 753	–	3 810	3 790	3 766	4 421	5 101	5 441	5 781	6 462	6 802	52 910	56 614	60 577
Finance charges	4 937	4 937	–	5 370	5 370	5 370	3 683	4 249	4 532	4 816	5 382	5 665	54 313	49 286	44 055
Bulk purchases - Electricity	143 484	136 355	–	96 974	90 093	82 812	83 343	96 165	102 576	108 987	121 809	128 220	1 190 815	1 360 388	1 554 107
Bulk purchases - Water & Sewer	–	–	–	–	–	–	24 206	27 929	29 791	31 653	35 377	37 239	186 196	201 092	217 179
Other materials	–	–	–	–	–	–	0	0	0	0	0	0	0	0	0
Contracted services	256	1 575	465	1 694	1 443	2 768	1 745	2 013	2 147	2 281	2 550	2 684	21 622	23 481	25 453
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	612	13 263	453	14 962	26 004	22 170	23 544	27 166	28 977	30 788	34 410	36 221	258 568	281 382	305 856
Other expenditure	39 464	82 833	30 069	116 920	90 682	109 630	148 177	170 973	182 371	193 770	216 566	227 964	1 609 419	1 800 222	1 800 361

BUF Buffalo City - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Payments by Type	**280 732**	**336 206**	**30 993**	**336 056**	**327 623**	**325 908**	**406 126**	**468 607**	**499 847**	**531 088**	**593 569**	**624 809**	**4 761 463**	**5 237 452**	**5 553 956**
Other Cash Flows/Payments by Type															
Capital assets	114 782	108 405	70 144	86 724	91 626	57 391	84 939	89 275	106 237	178 550	140 289	146 793	1 275 354	1 349 540	1 521 069
Repayment of borrowing	–	–	13 208	–	–	9 194	–	–	13 831	–	–	9 864	46 097	50 709	47 642
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**395 514**	**444 611**	**114 245**	**422 780**	**419 448**	**392 493**	**491 065**	**557 882**	**619 916**	**709 637**	**733 858**	**781 467**	**6 082 914**	**6 637 701**	**7 122 667**
NET INCREASE/(DECREASE) IN CASH HELD	**224 196**	**48 823**	**(102 844)**	**(115 166)**	**64 959**	**18 887**	**913**	**9 785**	**(14 404)**	**(66 282)**	**(14 813)**	**(24 577)**	**29 477**	**37 968**	**112 482**
Cash/cash equivalents at the month/year begin:	2 353 956	2 578 152	2 626 975	2 524 131	2 408 965	2 473 924	2 492 811	2 493 724	2 503 509	2 489 105	2 422 824	2 408 011	2 353 956	2 383 434	2 421 401
Cash/cash equivalents at the month/year end:	2 578 152	2 626 975	2 524 131	2 408 965	2 473 924	2 492 811	2 493 724	2 503 509	2 489 105	2 422 824	2 408 011	2 383 434	2 383 434	2 421 401	2 533 883

BUF Buffalo City - NOT REQUIRED - municipality does not have entities

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		–	–	–	–	–	–	1 719	1 719	1 719
Other own revenue		–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	**1 719**	**1 719**	**1 719**
Employee costs		–	–	–	–	–	–	–	–	–
Remuneration of Board Members		–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		–	–	–	–	–	–	–	–	–
Finance charges		–	–	–	–	–	–	–	–	–
Materials and bulk purchases		–	–	–	–	–	–	–	–	–
Transfers and grants		–	–	–	–	–	–	–	–	–
Other expenditure		–	–	–	–	–	–	1 719	1 719	1 719
Total Expenditure		–	–	–	–	–	–	1 719	1 719	1 719
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		–	–	–	–	–	–	–	–	–
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets		–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–
Equity		–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating		–	–	–	–	–	–	–	–	–
Net cash from (used) investing		–	–	–	–	–	–	–	–	–
Net cash from (used) financing		–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Bidvest / Litholech	Yrs	3	Printing of Statements	01/10/2014 (extended to 1 March 2015)	5 252
Mailtronic Media Management	Yrs	3	Printing of Statements	31 March 2018	3 807
BERCO INDOOR GARDENS	Yrs	1 (11 months)	OFFICE PLANTS	30 June 2015	18,117
Amatola Water	Yrs	30	Bulk Water Supply	04 December 2030	6 321 843
De Huys Launderette	sr 5 mo	3	Service to laundry of towels, pillows, sheets, bathmats, duvet covers at the Go	21 September 2015	92 625. 60
Otis	Yrs	20	Maintenance of lift - Central Library	01 March 2021	–
Ilec	Yrs	3	Leasing of Photocopier Machine	2016	2 082
Truegroup	Yrs	3	Rental of Office Space for EPMO	01 October 2016	183 142
Nashua (Fire Dept)	Mths	60	Lease of photocopier MP2352SP W411KB00868	01 May 2017	109
Xerox t/a Aloe Business solutions	Yrs	3	Leasing of Photocopier Machine	2016	3 181
Nashua	Yrs	5	Leasing of Photocopier Machine	2016	1 598
ECDC	Yrs	5	Leasing of operating building	31 August 2015	923
Slip knot investments Trust Centre Building	Yrs	5	Leasing of operating building	31 August 2016	34 469
EC Services	Yrs	3	Disconnection and reconnection of electrical supply	31 January 2016	25 852
Morgan Creek Properties 158 Pty Ltd	Yrs	3	Rental - office accommodation	31 July 2015	7 672
Burmeister and Company	Yrs	50	Lease of Land and building	30 June 2041	25 927
Shell S.A. (pty) LTD	Yrs	20	Lease of Land and building	31 August 2014	822
MTN BEACON BAY WATER RESERVOIR 182	Yrs	5	Lease of Land and building	30 June 2014	51
PF Properties(adjacent to acquarium)	Yrs	50	Lease of Land and building	30 November 2043	2 101
FERRUCCI BROTHERS CC	Yrs	50	Lease of Land and building	30 November 2043	33 118
DAKS INTERNATIONAL	Yrs	5	Lease of Land and building	31 December 2016	1 600
Denrays Kwikspar	Yrs	10	Lease of Land and building	31 January 2016	23
FNB East london	Yrs	10	Lease of Land and building	28 February 2016	19
Major Square	Yrs	10	Lease of Land and building	30 September 2016	21
Jesus Christ Ministry Movement	Yrs	5	Lease of Land and building	31 January 2016	14
ITHEMBALETHU DAY CARE CENTRE	Yrs	5	Lease of Land and building	31 October 2015	14
Winter Rose Rugby F.C.	Yrs	25	Lease of Land and building	31 October 2022	58
Gonubie Sports Club	Yrs	25	Lease of Land and building	30 September 2024	105
Hamilton Club	Yrs	24	Lease of Land and building	31 December 2020	1
ABBORTSFORD SPORTS CLUB	Yrs	5	Lease of Land and building	30 March 2016	14
cambridge Junior School	Yrs	9	Lease of Land and building	31 December 2020	14
Typos Bowling Club	Yrs	25	Lease of Land and building	31 March 2022	51
E.L Surf Life saving Club	Yrs	5	Lease of Land and building	01 March 2016	14
Border Cricket Board	Yrs	21	Lease of Land and building	31 December 2020	52
Border Badminton	Yrs	20	Lease of Land and building	31 July 2015	27
Buffalo Club	Yrs	24	Lease of Land and building	31 December 2020	1
Stirling High School	Yrs	30	Lease of Land and building	31 January 2025	53
Noom da P.oom Trading	Yrs	5	Lease of Land and building	31 October 2015	11
Masibambane Home Based Care	Yrs	10	Lease of Land and building	30 September 2022	49
Parkside Day Care and Pre Primary	Yrs	5	Lease of Land and building	30 June 2017	15
Paynigh Property Investment	Yrs	10	Lease of Land and building	28 February 2017	28
Nolukhanyo Daycare Centre	Yrs	5	Lease of Land and building	31 May 2017	15
MTN	Yrs	10	Lease of Land and building	30 October 2017	24
Cambridge Sports Club	Yrs	24	Lease of Land and building	31 December 2020	169
KINVEST (Pty) Ltd	Yrs	10	Lease of Land and building	31 October 2020	38
KAYSER BEACH COMMUNITY	Yrs	4	Lease of Land and building	31 December 2015	14
EASTERN CAPE SOFTBALL FEDERATION	Yrs	5	Lease of Land and building	31 August 2018	22

BUF Buffalo City - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
R thousand	1 3	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract	2												
Burmeister and Company		1 009	135	152	171	192	216	244	274	308	347	390	439
PF Properties(adjacent to acquarium)		3 198	444	499	562	632	711	800	900	1 013	1 139	1 281	1 442
FERRUCCI BROTHERS CC		1 180	169	190	214	240	271	304	342	385	433	488	548
Jet Stores 28261		2 797	332	365	401	442	486	391	–	–	–	–	–
Jet Stores 23161		4 238	261	274	287	302	317	246	–	–	–	–	–
S.J MEYERS		132	51	36	–	–	–	–	–	–	–	–	–
DAKS INTERNATIONAL		688	335	377	200	–	–	–	–	–	–	–	–
Denrays Kwikspar		18	3	2	–	–	–	–	–	–	–	–	–
FNB East london		14	3	2	–	–	–	–	–	–	–	–	–
Major Square		14	3	3	1	–	–	–	–	–	–	–	–
Cambridge Junior School		15	4	4	5	2	–	–	–	–	–	–	–
Hlalumi Development Agency		15	3	4	1	–	–	–	–	–	–	–	–
Jesus Christ Ministry Movement		8	3	2	–	–	–	–	–	–	–	–	–
ITHEMBALETHU DAY CARE CENTRE		9	3	1	–	–	–	–	–	–	–	–	–
Whiter Rose Rugby F.C.		20	3	3	4	4	5	5	6	7	2	–	–
Gonubie Sports Club		27	4	5	5	6	7	7	8	9	11	12	3
Hamilton Club		0	0	0	0	0	0	0	0	–	–	–	–
ABBORTSFORD SPORTS CLUB		8	3	3	–	–	–	–	–	–	–	–	–
Typos Bowling Club		19	3	3	3	4	4	5	5	4	–	–	–
E.L Surf Life saving Club		8	3	3	–	–	–	–	–	–	–	–	–
Border Cricket Board		22	3	4	4	5	5	6	3	–	–	–	–
Border Badminton		24	3	0	–	–	–	–	–	–	–	–	–
Buffalo Club		0	0	0	0	0	0	0	0	–	–	–	–
Stirling High School		14	2	2	2	3	3	4	4	4	5	6	4
Noom da Ploom Trading		7	3	1	–	–	–	–	–	–	–	–	–
Masibambane Home Based Care		5	3	4	4	5	5	6	7	8	2	–	–
Parkside Day Care and Pre Primary		5	3	3	4	–	–	–	–	–	–	–	–
Paynigh Property Investment		14	3	3	4	3	–	–	–	–	–	–	–
Nolukhanyo Daycare Centre		5	3	3	3	–	–	–	–	–	–	–	–
MTN		13	3	3	4	1	–	–	–	–	–	–	–
Cambridge Sports Club		74	10	12	13	15	17	19	10	–	–	–	–
KINVEST (Pty) Ltd		9	3	4	4	5	5	6	2	–	–	–	–
KAYSER BEACH COMMUNITY		9	3	2	–	–	–	–	–	–	–	–	–
EASTERN CAPE SOFTBALL FEDERATION		3	4	4	5	5	1	–	–	–	–	–	–
Total Operating Revenue Implication		13 623	1 812	1 974	1 902	1 866	2 053	2 043	1 561	1 738	1 939	2 177	2 436
Expenditure Obligation By Contract	2												
CONTOUR ONLINE SYSTEM		2 661	2 726	2 726	2 726	2 726	2 826	2 826	2 826	2 826	2 826	2 826	2 826
Itec		642	423	1 646	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
R thousand	1,3	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Xerox t/a Aloe Business solutions		1 426	744	2 693	–	–	–	–	–	–	–	–	–
Nashua		728	120	607	–	–	–	–	–	–	–	–	–
Slip knot investmentsTrust Centre Building		17 549	7 401	8 141	1 378	–	–	–	–	–	–	–	–
Morgan Creek Properties		4 703	2 740	230	–	–	–	–	–	–	–	–	–
JV Sthathu Funding (Pty) Ltd and Stonebridge Properties (P		328	520	565	193	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–	–	–	–
Magna BC		550	550	–	–	–	–	–	–	–	–	–	–
Itec		262	514	1 306	–	–	–	–	–	–	–	–	–
Xerox t/a Aloe Business solutions		363	907	1 910	–	–	–	–	–	–	–	–	–
Nashua		608	265	725	–	–	–	–	–	–	–	–	–
ECDC		485	200	220	18	–	–	–	–	–	–	–	–
Slip knot investmentsTrust Centre Building		10 821	6 728	7 401	8 141	1 378	–	–	–	–	–	–	–
Morgan Creek Properties		2 166	2 537	2 740	230	–	–	–	–	–	–	–	–
JV Sthathu Funding (Pty) Ltd and Stonebridge Properties (P		–	328	520	565	193	–	–	–	–	–	–	–
Total Operating Expenditure Implication		43 295	26 703	31 428	13 250	4 297	2 826	2 826	2 826	2 826	2 826	2 826	2 826
Capital Expenditure Obligation By Contract	2												
Contract 1													
Contract 2													
Contract 3 etc													
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**43 295**	**26 703**	**31 428**	**13 250**	**4 297**	**2 826**	**2 826**	**2 826**	**2 826**	**2 826**	**2 826**	**2 826**
Entities:													
Revenue Obligation By Contract	2												
Contract 1													
Contract 2													
Contract 3 etc													
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2												
Contract 1													
Contract 2													
Contract 3 etc													
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2												
Contract 1													
Contract 2													
Contract 3 etc													
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**166 835**	**504 323**	**710 192**	**225 500**	**271 349**	**271 349**	**158 210**	**277 718**	**267 172**
Infrastructure - Road transport		37 593	253 915	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Roads, Pavements & Bridges		37 593	253 915	345 781	110 000	113 740	113 740	20 000	80 000	40 000
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		45 177	55 173	98 209	45 500	39 087	39 087	66 500	63 500	63 500
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		45 177	55 173	98 209	45 500	39 087	39 087	66 500	63 500	63 500
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		62 613	74 565	87 476	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		62 613	74 565	87 476	–	–	–	–	–	–
Infrastructure - Sanitation		21 450	120 669	170 238	–	–	–	–	–	–
Reticulation		21 450	120 669	170 238	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	8 488	70 000	118 522	118 522	71 710	134 218	163 672
Waste Management		–	–	8 488	36 000	79 815	79 815	21 710	15 412	1 000
Transportation	2	–	–	–	24 000	28 707	28 707	30 000	108 806	132 672
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	10 000	10 000	10 000	20 000	10 000	30 000
Community		**6 763**	**15 988**	**56 128**	**22 000**	**24 960**	**24 960**	**35 069**	**17 000**	**24 000**
Parks & gardens		–	–	–	2 000	3 685	3 685	–	–	7 000
Sportsfields & stadia		–	–	5 264	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		4 797	5 340	4 395	10 000	11 275	11 275	27 069	9 000	9 000
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		1 966	834	1 481	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	10 000	10 000	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	9 814	44 988	10 000	–	–	8 000	8 000	8 000
Heritage assets		–	–	2 555	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	2 555	–	–	–	–	–	–
Investment properties		–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Housing development		–	–	–	89 536	156 385	156 385	211 274	322 860	386 080
Other		–	–	–	–	–	–	–	–	–
Other assets		40 639	73 175	47 819	65 150	94 078	94 078	125 375	109 281	113 419
General vehicles		22 752	36 339	16 457	18 600	28 160	28 160	48 450	21 850	39 150
Specialised vehicles	10	–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Plant & equipment		4 564	9 749	6 654	3 500	5 595	5 595	8 675	16 890	10 590
Computers - hardware/equipment		–	–	–	–	3 633	3 633	40 650	36 650	17 190
Furniture and other office equipment		8 369	8 409	19 714	28 550	40 779	40 779	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	2 555	–	5 700	5 700	–	–	–
Other Buildings		4 865	18 678	2 438	5 500	1 612	1 612	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		88	–	–	5 000	5 000	5 000	20 000	29 891	42 489
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Intangibles		3 227	–	27 501	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Computers - software & programming		3 227	–	27 501	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**217 464**	**593 485**	**844 194**	**402 186**	**546 773**	**546 773**	**529 928**	**726 859**	**790 671**
Specialised vehicles		–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Refuse		–	–	–	–	–	–	–	–	–
Fire		–	–	–	4 000	3 600	3 600	7 600	4 000	4 000
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	491 396	589 230	589 230	686 056	551 276	617 198
Infrastructure - Road transport		–	–	–	88 000	213 459	213 459	245 000	180 000	184 900
Roads, Pavements & Bridges		–	–	–	88 000	213 459	213 459	245 000	180 000	184 900
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	89 199	80 000	80 000	92 000	108 000	48 000
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		–	–	–	89 199	80 000	80 000	92 000	108 000	48 000
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	97 689	96 898	96 898	91 000	91 000	91 000
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	97 689	96 898	96 898	91 000	91 000	91 000
Infrastructure - Sanitation		–	–	–	216 508	198 873	198 873	–	–	–
Reticulation		–	–	–	216 508	198 873	198 873	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	258 056	172 276	293 298
Waste Management		–	–	–	–	–	–	258 056	172 276	293 298
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		–	–	–	28 030	21 516	21 516	30 700	24 750	38 250
Parks & gardens		–	–	–	–	–	–	–	–	–
Sportsfields & stadia		–	–	–	24 792	18 678	18 678	22 700	19 750	17 750
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	3 239	2 839	2 839	8 000	5 000	20 500
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	20 395	11 226	11 226	28 671	46 655	74 950
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		–	–	–	–	–	–	–	–	–
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	20 395	11 226	11 226	24 221	46 655	68 200
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	4 450	–	6 750
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	–	–	–	539 821	621 972	621 972	745 427	622 681	730 398
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Fire		–	–	–	–	–	–	–	–	–
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*57.3%*	*53.2%*	*53.2%*	*58.4%*	*46.1%*	*48.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*76.0%*	*87.6%*	*87.6%*	*104.7%*	*84.3%*	*94.8%*

BUF Buffalo City - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**186 067**	**220 824**	**236 228**	**280 184**	**275 684**	**275 684**	**316 019**	**356 981**	**386 290**
Infrastructure - Road transport		35 099	62 067	62 764	86 549	86 549	86 549	108 529	123 456	140 622
Roads, Pavements & Bridges		30 059	55 427	56 120	78 604	79 304	79 304	99 988	114 274	130 751
Storm water		5 040	6 640	6 644	7 945	7 245	7 245	8 541	9 182	9 870
Infrastructure - Electricity		78 890	100 347	103 884	111 151	109 151	109 151	112 550	127 728	127 926
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		75 685	97 551	100 033	107 011	105 011	105 011	108 099	122 944	122 783
Street Lighting		3 205	2 796	3 850	4 140	4 140	4 140	4 451	4 785	5 143
Infrastructure - Water		37 049	26 976	30 866	37 061	37 061	37 061	42 435	48 461	55 246
Dams & Reservoirs		944	1 021	932	1 194	1 194	1 194	1 283	1 379	1 483
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		36 105	25 955	29 933	35 868	35 868	35 868	41 152	47 082	53 763
Infrastructure - Sanitation		19 208	19 486	23 221	25 287	25 287	25 287	29 620	32 346	35 257
Reticulation		19 208	19 486	23 221	25 287	25 287	25 287	29 620	32 346	35 257
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		15 821	11 948	15 494	20 136	17 636	17 636	22 885	24 990	27 240
Waste Management		15 821	11 948	15 494	20 136	17 636	17 636	22 885	24 990	27 240
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		**14 857**	**19 435**	**22 165**	**16 749**	**16 663**	**16 663**	**17 874**	**19 103**	**20 415**
Parks & gardens		–	–	–	–	–	–	–	–	–
Sportsfields & stadia		420	407	11 248	516	516	516	553	593	636
Swimming pools		334	328	298	385	385	385	413	442	474
Community halls		1 400	398	405	562	562	562	585	610	637
Libraries		660	155	126	265	265	265	253	269	287
Recreational facilities		2 844	11 065	2 285	3 069	3 069	3 069	3 331	3 564	3 813
Fire, safety & emergency		947	991	1 394	2 180	2 180	2 180	2 288	2 455	2 634
Security and policing		1 282	1 518	1 995	1 960	1 960	1 960	2 005	2 149	2 302
Buses	7	1 270	474	394	2 491	2 491	2 491	2 658	2 831	3 014
Clinics		1 105	24	21	101	14	14	101	107	113
Museums & Art Galleries		369	32	14	67	67	67	71	75	79
Cemeteries		267	233	158	339	339	339	402	429	458
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		3 939	3 810	3 828	4 815	4 815	4 815	5 215	5 579	5 967
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		18 397	23 443	27 293	35 315	35 401	35 401	38 117	40 910	43 908
General vehicles		682	764	940	1 594	1 667	1 667	1 821	1 923	2 028
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		403	816	604	991	991	991	1 065	1 145	1 231
Furniture and other office equipment		2	3	0	15	15	15	16	17	18
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		679	738	721	868	868	868	1 009	1 083	1 163
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		1 646	8 091	8 852	9 818	9 818	9 818	10 554	11 346	12 197
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		14 984	13 031	16 176	22 028	22 042	22 042	23 651	25 395	27 270
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	219 321	263 702	285 686	332 249	327 749	327 749	372 010	416 995	450 612
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		*2.1%*	*2.6%*	*2.8%*	*2.8%*	*2.7%*	*2.7%*	*3.3%*	*3.5%*	*3.6%*
R&M as % Operating Expenditure		*6.0%*	*6.6%*	*6.4%*	*7.0%*	*6.7%*	*6.7%*	*6.5%*	*6.7%*	*6.8%*

BUF Buffalo City - Supporting Table SA34d Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
Infrastructure		**564 549**	**588 900**	**534 566**	**600 430**	**600 430**	**600 430**	**567 413**	**573 269**	**576 349**
Infrastructure - Road transport		294 983	328 496	274 621	333 954	333 954	333 954	301 370	221 433	194 302
Roads, Pavements & Bridges		273 006	305 868	252 045	319 931	319 931	319 931	301 370	221 433	194 302
Storm water		21 977	22 628	22 576	14 023	14 023	14 023	–	–	–
Infrastructure - Electricity		95 641	95 303	96 875	73 518	73 518	73 518	73 815	98 694	118 393
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		92 611	92 376	93 974	70 591	70 591	70 591	73 815	98 694	118 393
Street Lighting		3 030	2 927	2 901	2 927	2 927	2 927	–	–	–
Infrastructure - Water		67 962	58 425	57 007	71 056	71 056	71 056	64 133	92 421	109 693
Dams & Reservoirs		3 422	2 508	2 508	2 508	2 508	2 508	–	–	–
Water purification		13 911	9 372	7 433	9 372	9 372	9 372	11 195	20 322	27 997
Reticulation		50 628	46 545	47 066	59 176	59 176	59 176	52 939	72 100	81 696
Infrastructure - Sanitation		105 964	106 676	106 083	121 902	121 902	121 902	123 418	153 991	143 248
Reticulation		72 410	75 012	74 401	88 517	88 517	88 517	88 155	104 311	85 186
Sewerage purification		33 554	31 664	31 683	33 385	33 385	33 385	35 263	49 680	58 062
Infrastructure - Other		–	–	–	–	–	–	4 676	6 730	10 712
Waste Management		–	–	–	–	–	–	–	–	–
Transportation	2	–	–	–	–	–	–	4 676	6 730	10 712
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		**45 572**	**45 995**	**46 869**	**12 315**	**12 315**	**12 315**	**14 929**	**17 308**	**21 787**
Parks & gardens		1 042	1 052	1 034	142	142	142	582	569	618
Sportsfields & stadia		9 827	9 919	9 665	1 038	1 038	1 038	3 218	4 602	5 752
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		14 364	14 497	14 344	5 355	5 355	5 355	1 159	1 560	1 785
Libraries		2 177	2 197	2 197	1 244	1 244	1 244	–	–	–
Recreational facilities		961	970	998	2 053	2 053	2 053	–	–	–
Fire, safety & emergency		1 942	1 960	2 256	265	265	265	5 420	6 658	9 063
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		2 263	2 284	2 341	1 516	1 516	1 516	951	599	812
Museums & Art Galleries		–	–	–	153	153	153	–	–	–
Cemeteries		1 232	1 243	1 160	543	543	543	3 599	3 321	3 756
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		11 765	11 874	12 874	6	6	6	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA34d Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		61 104	63 424	61 852	86 361	86 361	86 361	129 872	147 737	171 955
General vehicles		7 813	8 109	7 437	9 463	9 463	9 463	4 646	7 510	10 479
Specialised vehicles	10	4 548	4 721	5 377	4 236	4 236	4 236	3 544	2 774	1 816
Plant & equipment		10 814	11 224	10 311	11 173	11 173	11 173	2 145	2 669	2 868
Computers - hardware/equipment		5 832	6 053	–	6 667	6 667	6 667	18 284	19 593	22 096
Furniture and other office equipment		4 296	4 459	6 911	4 134	4 134	4 134	14 054	21 350	31 412
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		27 801	28 857	31 817	43 564	43 564	43 564	82 457	90 310	100 301
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	7 124	7 124	7 124	4 741	3 532	2 982
Agricultural assets		4 477	3 185	855	–	–	–	–	–	–
List sub-class		4 477	3 185	855	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	10 894	10 894	10 894	–	–	–
Computers - software & programming		–	–	–	10 894	10 894	10 894	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Depreciation	1	675 702	701 504	644 163	710 000	710 000	710 000	712 213	738 315	770 090

Specialised vehicles		4 548	4 721	5 377	4 236	4 236	4 236	3 544	2 774	1 816
Refuse		3 578	3 714	3 603	2 796	2 796	2 796	2 034	1 691	1 262
Fire		970	1 007	1 773	1 050	1 050	1 050	1 510	1 082	554
Conservancy		–	–	–	389	389	389	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

BUF Buffalo City - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - Directorate - Executive Support Services		6 200	500	500				
Vote 2 - Directorate - Municipal Manager		21 500	31 891	37 829				
Vote 3 - Directorate - Chief Operations Officer		211 424	323 360	386 580				
Vote 4 - Directorate - Chief Financial Officer		10 000	10 500	10 500				
Vote 5 - Directorate - Corporate Services		21 600	20 200	500				
Vote 6 - Directorate - Engineering Services		820 556	713 276	751 198				
Vote 7 - Directorate - Development Planning		68 221	163 611	225 022				
Vote 8 - Directorate - Health & Public Safety		21 650	28 540	22 655				
Vote 9 - Directorate - Community Services		94 204	57 662	86 285				
Vote 10 - Directorate - Miscellaneous		–	–	–				
Vote 11 - Directorate 11 - Vacant		–	–	–				
Vote 12 - Directorate 12 - Vacant		–	–	–				
Vote 13 - Directorate 13 - Vacant		–	–	–				
Vote 14 - Directorate 14 - Vacant		–	–	–				
Vote 15 - Directorate 15 - Vacant		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**1 275 354**	**1 349 540**	**1 521 069**	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Directorate - Executive Support Services								
Vote 2 - Directorate - Municipal Manager								
Vote 3 - Directorate - Chief Operations Officer								
Vote 4 - Directorate - Chief Financial Officer								
Vote 5 - Directorate - Corporate Services								
Vote 6 - Directorate - Engineering Services								
Vote 7 - Directorate - Development Planning								
Vote 8 - Directorate - Health & Public Safety								
Vote 9 - Directorate - Community Services								
Vote 10 - Directorate - Miscellaneous								
Vote 11 - Directorate 11 - Vacant								
Vote 12 - Directorate 12 - Vacant								
Vote 13 - Directorate 13 - Vacant								
Vote 14 - Directorate 14 - Vacant								
Vote 15 - Directorate 15 - Vacant								
List entity summary if applicable								

BUF Buffalo City - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		1 275 354	1 349 540	1 521 069	–	–	–	–

BUF Buffalo City - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes: Audited Outcome 2013/14	Prior year outcomes: Current Year 2014/15 Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework: Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Project information: Ward location	Project information: New or renewal
R thousand	4			2	6	3	3	5								
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Vote 1 - Executive Support Services		2010 Projects	Various			Community	Stadiums	27.905681 -33.007034	622	-	-	-	-	-	Various	Renewal
		Mayoral Projects	Various			Community	Infrastructure	27.904451 -33.014694	-	-	-	-	-	-	Various	Renewal
		Building Upgrade	Various			Buildings	Buildings(Councillors Offices)	-32.9879 27.8789 -33.0158, 27.	-	-	1 948	-	-	-	Various	Renewal
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.903766 -33.013943	-	3 553	2 996	5 000	500	500	Various	New
		Other	Various			Other Assets	Other Assets	27.903766 -33.013944	-	-	1 784	-	-	-	Various	New
		Vehicles	Various			Vehicles	Vehicles					1 200	-	-	Various	New
Vote 2 - Municipal Manager's Office		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.903766 -33.013944	-	-	500	1 500	2 000	2 000	Various	New
		Computer Equipment	Various			Other Assets	Computers	27.903766 -33.013944	-	-	1 500	-	-	-	Various	New
		Other	Various			Other Assets	Other Assets	27.903766 -33.013944	-	-	5 000	20 000	29 631	35 629	Various	New
Vote 3 - Chief Operations Officer		Housing	Various			Housing	Housing	30892327.874642 -33.0069927.8	36 692	-	110 072	211 274	322 860	386 080	Various	New
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.90387 -33.0139	-	-	802	150	500	500	Various	New
		DVR	Various			Other Assets	Other Assets	27.90387 -33.0140	-	-	(10 069)	-	-	-	Various	New
Vote 4 - Directorate of Finance		Building Upgrade	Various			Buildings	Buildings(KWT & Ash Offices)	018711 27.90546 -33.018527.38	25 468	-	350	-	-	-	Various	New
		Computer Equipment	Various			Other Assets	Computers / CCTV Cameras	018711 27.90546 -33.018527.38	-	-	1 500	-	-	-	Various	New
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	018711 27.90546 -33.018527.38	-	10 982	932	-	500	500	Various	New
		Asset Replacements	Various			Other Assets	Other Assets	018711 27.90546 -33.018527.38	-	-	10 000	10 000	10 000	10 000	Various	New
Vote 5 - Directorate of Corporate Services		Computer Equipment	Various			Other Assets	Computers	3.018527 90486 -33.015127.886	-	33 670	18 015	21 600	20 200	500	Various	New
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	3.018527 90486 -33.015127.886	-	-	500	-	-	-	Various	New
		Other	Various			Other Assets	Other Assets	3.018527 90486 -33.015127.886	-	-	2 500	-	-	-	Various	New
		Building Upgrade	Various			Other Assets	Office Equipment	3.018527 90486 -33.015127.886	-	-	2 100	-	-	-	Various	New
		Asset Replacements	Various			Other Assets	General vehicles		-	-	150				Various	Renewal
Vote 6 - Directorate of Engineering Services																
		Roads	Various			Infrastructure	Roads	2 -32.9244827 875525 -33.0036	143 551	349 727	198 000	265 000	180 000	224 900	Various	New & Renewal
		Sewerage	Various			Infrastructure	Sewerage	1 -32.92423727 900472 -33.0173	122 027	-	217 632	258 056	137 000	293 298	Various	New & Renewal
		Electricity	Various			Infrastructure	Electricity reticulation	3585 -33.0053227.875995 -33.00	65 683	105 583	134 899	158 500	173 500	111 500	Various	New & Renewal
		Street Lighting	Various			Infrastructure	Street Lighting	3585 -33.0053227.875995 -33.00	-	-	-	-	-	-	Various	New & Renewal
		Vehicles	Various			Other Assets	Vehicles	324 -32.937827 88826 -33.00582	-	-	-	-	-	-	Various	New
		Water	Various			Infrastructure	Water reticulation	935 -32.8443827 426884 -32.85	71 359	84 058	98 139	91 000	91 000	91 000	Various	New & Renewal
		Computer Equipment	Various			Other Assets	Computers	324 -32.937827 88826 -33.00582	-	-	-	-	-	-	Various	New
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	324 -32.937827 88826 -33.00582	-	-	500	-	500	500	Various	New
		Building Upgrade	Various			Buildings	Buildings	324 -32.937827 88826 -33.00582	-	-	-	-	-	-	Various	New & Renewal
		BCMM Fleet	Various			Vehicles	Vehicles	324 -32.937827 88826 -33.00582	-	4 863	25 299	48 000	18 000	30 000	Various	New
Vote 7 - Directorate of Development Planning		Land	Various			Infrastructure	Land	27.951105 -32.944939	-	-	5 500	-	-	-	Various	New & Renewal
		Transportation Infrastructure	Various			Infrastructure	Car Parks,Bus terminals & Taxi ranks	35227.890158 -33.00576827 6-40	101 009	16 035	24 257	30 000	97 806	121 672	Various	New & Renewal
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.90476 -33.0187	-	-	500	-	500	500	Various	New
		Markets	Various			Other Assets	Buildings	727.915879 -33.008827 94812 -32	-	-	-	-	-	-	Various	New & Renewal
		LED	Various			Other Assets	LED	27.90476 -33.0187	-	-	10 000	20 000	10 000	30 000	Various	New & Renewal
		Other	Various			Other Assets	City Hall and Payments Hall	12 940827 435 -32 951827 73924	-	-	10 873	-	-	-	Various	New & Renewal
		Other	Various			Other Assets	Other Assets	27.82927 -32.9833	447	-	5 395	19 821	32 255	55 500	Various	New & Renewal
		Other	Various			Other Assets	Buildings				-	3 000	20 250	16 250	Various	New & Renewal
		Computer Equipment	Various			Other Assets	Computers				-	3 400	2 800	1 100	Various	New
Vote 8 - Directorate of Health & Public Safety		Land & Buildings	Various			Other Assets	Land & Buildings/ Fire Stations	17527 898957 -32.97469927 740	-	-	-	-	-	-	Various	New & Renewal
		Land & Buildings	Various			Other Assets	Land & Buildings/ Traffic Building	321927 739243 -32.9377727.896	-	-	4 353	-	-	-	Various	New & Renewal
		Clinics	Various			Community	Clinics		-	-	216	-	-	-	Various	New & Renewal
		Vehicles	Various			Other Assets	Vehicles	321927 739243 -32.9377727.896	-	-	532	-	-	-	Various	New & Renewal

BUF Buffalo City - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2015/16 Medium Term Revenue & Expenditure Framework			Project Information	
R thousand	4			2	6	3	3	5	Total Project Estimate	Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	'7527.898957,-32.97489927 740			500		5	500	Various	New & Renewal
		Plant & Equipment	Various			Other Assets	Plant & Equipment	'7527.898957,-32.97489927 740	6 3 9	5 9 >	3 416	12 65	'2 41	16 1 > 3	Various	New & Renewal
		Computer Equipment	Various			Other Assets	Computers	'7527.898957,-32.97489927 740				–			Various	New & Renewal
		Other	Various			Other Assets	Other Assets	'7527.898957,-32.97489927 740	-	–		–	-	–	Various	New & Renewal
		Specialised Vehicles	Various			Other Assets	Vehicles(Fire Engines)	'7527.898957,-32.97489927 740	-	–	4 000	9 (31	5	4 00	Various	New
Vote 9 Directorate of Community Services		Refuse	Various			Community	Waste Management	30561 -33.006927.89759 33.015	16 91 c	173 657	94 815	21 71	15 41	1 3		0 New
		Sportsfields	Various			Community	Sportsfields	927.89759 33.015127.89762 -33	–	-	29 101	21 27	19 7	12 75		0 Renewal
		Halls	Various			Community	Community halls	927.89759 -33.015127.89762 -33	–	-	1 244	27 063	9 0	9 00		0 Renewal
		Recreational Facili	Various			Community	Recreational Facilities	927.89759 -33.015127.89762 -33	-	-	3 000	13 725	5 0	31 77		0 New & Renewal
		Plant & equipment	Various			Other Assets	Plant & equipment	927.89759 -33.015127.89762 -33	-	56 128	568	-	-	–		0 New
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	927.89759 -33.015127.89762 -33	1 58	–	500	–	50	5		0 New
		Computer Equipment	Various			Other Assets	Computers	927.89759 -33.015127.89762 -33	-	–		8 00	8 00	6 00		0 New
		Plant & equipment	Various			Other Assets	Containers	927.89759 33.015127.89762 33	1 75 '	–	11 700	–	-	18 2		0 New & Renewal
		Sportsfields	Various			Community	Swimming Pool	927.89759 -33.015127.89762 33	-	–		2 500	-	5		0 New & Renewal
		Parks	Various			Community	Parks	927.89759 -33.015127.89762 -33	-	-	2 000	–	-	-		0 New & Renewal
		Asset Replacements	Various			Other Assets	Plant & equipment	927.89759 33.015127.89762 33	–	-	63	-	–	-		0 New
Parent Capital expenditure	1								593 485	844 194	1 056 485	1 275 354	1 234 264	1 521 068		
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure										-	–	-	–	-		
Total Capital expenditure									593 485	844 194	1 056 485	1 275 354	1 234 264	1 521 068		

2952

BUF Buffalo City - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	1,2						Year	Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Vote 3 - Chief Operation's Officer			-					-	-	-	-	-
		Reeston Phase 3 Stage 2 -P1 & P3	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	10 000	10 000	5 000	-	-
		Mdantsane Zone 18 CC Phase 2 - P1 & P3	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	2 000	2 000	2 000	-	-
		Manyano & Thembelihle Phase 2 - P1 & P3	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	8 000	4 642	4 000	-	-
		Second Creek (Turn Key) - P1 & P3	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	8 000	4 000	1 000	-	-
		Block Yard TRA - P1& P3	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	1 000	1 000	300	-	-
		DVR Pilot Project (Mekeni Haven Hills Competit	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	2 500	2 500	270	-	-
		Cluses 5 (Fynbos Informal 1, Fynbos Informa. 2 M	-	*Housing*	*Housing*	*00892327.874642 -33.0069927.84*	-	7 412	1 077	1 000	-	-
Vote 6 - Directorate of Engineering Services												
		West Bank Restitution	Various	*Roads*	*Roads*	*2 -32.92444827.675525 -33.0036*	-	15 000	15 000	2 000	-	-
		Bufferstrip Sanitation	Various	*Waste Water*	*Waste Water*	*2 -32.92423727.920472 -33.0172*	-	5 400	5 400	2 900	-	-
		Eastern Beach Sewers	Various	*Waste Water*	*Waste Water*	*2 -32.92423727.920472 -33.0172*	-	5 000	5 000	450	-	-
		E.L Sewer Diversion Centre	Various	*Waste Water*	*Waste Water*	*2 -32.92423727.920472 -33.0172*	-	26 500	26 500	10 000	-	-
		Reeston Phase 3 Bulk Service Sewer	Various	*Waste Water*	*Waste Water*	*2 -32.92423727.920472 -33.0172*	-	26 500	26 500	22 500	-	-
		Waste Water Treatment Capacity Zwelitsha	Various	*Waste Water*	*Waste Water*	*2 -32.92423727.920472 -33.0172*	-	26 500	26 500	11 800	-	-
Vote 9 - Directorate of Community Services												
		Development of Community Parks'Inland, Midland	Various	*Community and social services*	*Parks*	*927.89759 -33.015127.89762 -33*	-	2 000	2 000	1 900	-	
		Development and Upgrading of Cemetries(Inland	Various	*Environmental Protection*	*Cemetries*	*927.89759 -33.015127.89762 -33*	-	5 000	5 000	2 500	-	-
		Development and Upgrading of Community Halls	-	*Community and social services*	*Halls*	*927.89759 -33.015127.89762 -33*	-	4 000	4 000	800	-	-
		Redevelopment of Mdantsane NU 2 Swimming Po	-	*Community and social services*	*Swimming Pool*	*927.89759 -33.015127.89762 -33*	-	3 000	3 000	2 998	-	-
		Upgrading of Esplanade	-	*Community and social services*	*Amenities*	*927.89759 -33.015127.89762 -33*	-	2 000	2 000	1 600	-	
		Upgrading of Aquarium	-	*Community and social services*	*Amenities*	*927.89759 -33.015127.89762 -33*	-	750	750	750	-	
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												